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PRU*Select Vantage*

Product Information Pack for Representatives

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PRUSelect Vantage

PRODUCT FEATURES

1 INTRODUCTION

PruSelect Vantage policy is a regular premium investment-linked plan that allows the policyholder to invest in any of the funds available for this policy. It has a fixed premium payment term of 5, 10, 15 or 20 years.

PruSelect Vantage policy is available in Singapore dollars (“**SGD**”).

Note: United States dollars (“USD”) version is no longer available.

Premiums received for the first 24 months (“**Initial Contribution Period**”) from the first premium due date of the policy will be placed into the Initial Account. Subsequently, premiums received are placed into the Accumulation Account.

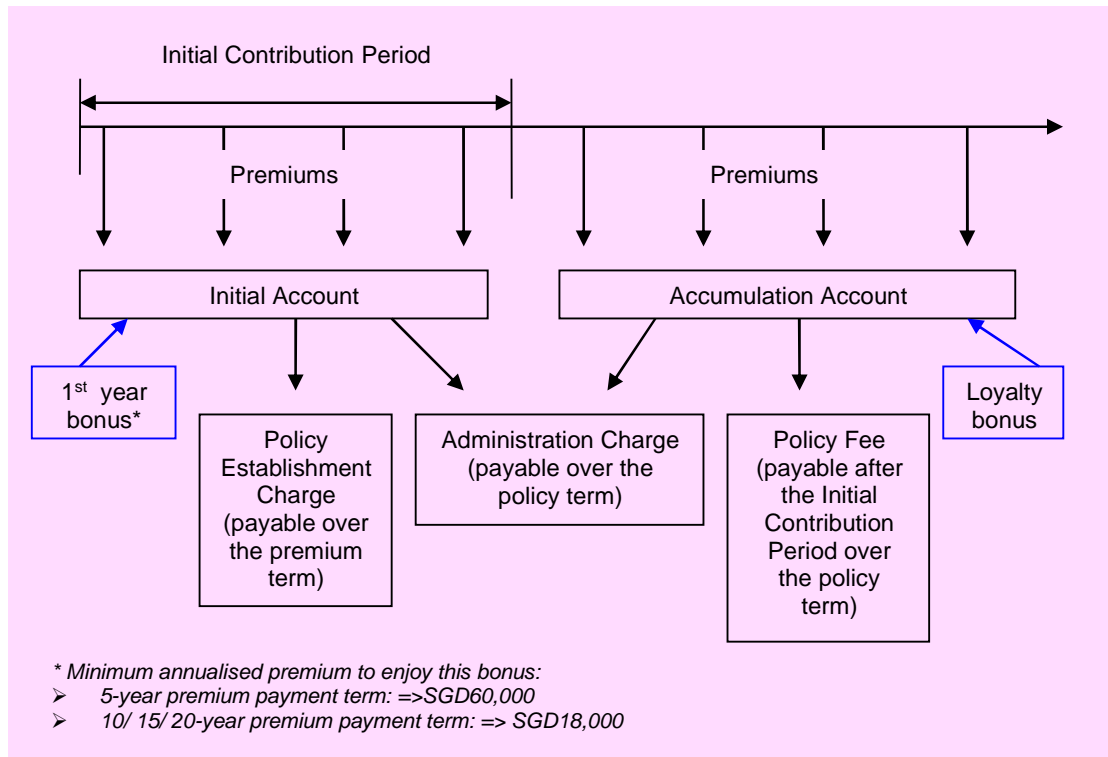
Unit prices of the PruSelect Funds may be currently obtained from the company website <www.prudential.com.sg>. The policyholder may also refer to the respective Investment Manager’s website for the dealing days to which the prices apply.

The policyholder can invest in any of the funds only if it is available. The list of funds shall be collectively known as “**PruSelect Funds**” in this document. Any single fund shall be known as a “**PruSelect Fund**”.

Here is an illustration of how the policy works:



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2 LAUNCH DATE

28 September 2011 (10-year / 15-year / 20-year premium payment term)
4 March 2014 (5-year premium payment term)

3 BASIC BENEFITS

3.1 Death Benefit

The following benefit is payable if the life assured dies from (a) Accident or (b) non-accidental causes:

a) **Accidental Death**

If the life assured dies from an Accident, we pay the higher of:

- the value of all the units in the Account; or
- 105% of (total premiums paid (excluding premiums for supplementary benefits) less any withdrawals and any charges applied on the reduction in premium), less any amounts owing to us.

The coverage for this benefit is up to the Policy Anniversary before the life assured turns 75 years old.

An "**Accident**" is an unforeseen and involuntary event, which directly causes death or injury by violent, external and visible means, and is independent of any other cause (such as illness or disease of the life assured).



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b) Death from non-accidental causes

If the life assured dies from other causes (i.e. not from an Accident), we pay the value of all the units in the Account, less any amounts owing to us.

We will calculate the value of all the units in the Account as follows:

To value the units, we use the unit price calculated on the second business day after we receive the notification of death of the life assured with proof of death. For the purposes of this calculation only, business day shall mean a working day in both the jurisdiction of the domicile of the relevant PruSelect Fund as well as Singapore.

Our calculation, and the subsequent determination of the final results, shall be final and binding.

If charges are deducted from the Account at any time before the date of notification of claim for death cover, we will not make any refund of such charges to the policyholder.

If the life assured dies from suicide within 12 months from the Cover Start Date of the policy or from the date of reinstatement (if any), we will void the policy. In this case, we will cancel the policy and refund the total premiums received from the policyholder less any withdrawals, all outstanding amounts owing to us in connection with the policy and expenses (including but not limited to administrative, sales related and medical expenses (if any)) incurred by us on the policy.

If the life assured dies due to a Pre-existing Condition within 12 months from the Cover Start Date of the policy, we pay the higher of:

- the value of all the units in the Account less any First-year bonus paid to the policy (if any); or
- the total premiums paid by the policyholder less any withdrawals, all outstanding amounts owing to us in connection with the policy and expenses (including but not limited to administrative, sales related and medical expenses, if any) incurred by us on the policy.

A “**Pre-existing Condition**” is the existence of any signs or symptoms for which treatment, medication, consultation, advice or diagnosis has been sought or received by the life assured or would have caused an ordinary prudent person to seek treatment, diagnosis or cure, prior to the Cover Start Date of this benefit or the date of reinstatement (if any).

3.2 Premium Allocation Rate

We use 100% of the regular premium to buy units at the unit price in the PruSelect Fund or Funds the policyholder has chosen.

If we receive the regular premium and accept the application, we use the unit price calculated on the date on which the Investment Manager determines the net asset value of the fund in accordance with the following formula to buy units:

$T + X$ = the date on which the Investment Manager determines the net asset value of the PruSelect Fund (“the **Unit Purchase Date**”)

(where T means the date on which the unit purchase order is placed by us with the relevant Investment Manager; and where X shall be the number of days after T date



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when the Investment Manager determines the net asset value of the PruSelect Fund of which unit(s) the policyholder purchased).

Our calculation, and the subsequent determination of the final results, shall be final and binding.

Each PruSelect Fund is divided into units of equal value and the number of units the policyholder has is calculated to the number of decimal points as determined by the relevant Investment Manager.

3.3 Bonus

There are two types of bonus declared:

- First-year Bonus; and
- Loyalty Bonus

3.3.1 First-year Bonus

The First-year Bonus, which is calculated as a percentage of the first 12 months premiums paid*, is given if the minimum annualised premium is met:

| Premium Term | Minimum annualised premium to qualify | Percentage of the annualised premium* |
|---------------------|--|--|
| 5 years | SGD60,000 | 5% |
| 10 years | SGD18,000 | 10% |
| 15 years | SGD18,000 | 15% |
| 20 years | SGD18,000 | 20% |

** excluding premiums of supplementary benefits (if any).*

This bonus will be converted into additional units and placed in the Initial Account upon each receipt of premium in respect of the first 12 months from the first premium due date of the policy.



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3.3.2 Loyalty bonus

| | 5-Year Premium Payment Term | 10 / 15 / 20-Year Premium Payment Term |
|--------------|---|--|
| When? | Reward customers who stay invested after the premium payment term i.e after the 5th Policy Anniversary. | Reward customers who stay invested and diligently invest through the premium payment term. |
| How Much? | 0.5% of the Average Accumulation Account Value will be converted into additional units and placed in the Accumulation Account (AA) Average Accumulation Account Value = sum of the Monthly Accumulation Account Value ⁺ for 12 months ⁺⁺ / 12 ⁺ The Monthly Accumulation Account Value is the Accumulation Account Value each month less charges ⁺⁺ This is the 12 months before the 5 th Policy Anniversary and subsequently the 12 months before each Policy Anniversary | 5 / 10 / 15 / 20% (depending on premium payment term) of the Average Annualised Premium will be converted into additional units and placed in the Accumulation Account (AA) Average Annualised Premium = (total premiums paid* - any withdrawals) / number of years premiums should have been paid [*] excluding premiums of supplementary benefits (if any) |
| When? | Paid yearly into the AA as long as the policy is not terminated. | Given after the 5 th / 10 th / 15 th / 20 th Policy Anniversary depending on the premium payment term. Premiums must be paid consistently and on time for 5 years/10 years/15 years/20 years. No Loyalty Bonus if withdrawals exceed total premiums paid. |
| When? | Units are credited only 2 mths after the relevant policy anniversary. We reserve the right to clawback the Loyalty Bonus credited should there be any reversal of transaction which affect the entitlement of the Loyalty Bonus. | Units are credited only 2 mths after the relevant policy anniversary. We reserve the right to clawback the Loyalty Bonus credited should there be any reversal of transaction which affect the entitlement of the Loyalty Bonus. |

4 TOP UP PREMIUM

No top up is allowed.

5 POLICY LIMITS

5.1 Age Limits

5.1.1 Age at Entry

| | Premium term of 5 years | Premium term of 10 years | Premium term of 15 years | Premium term of 20 years |
|----------------------|-------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Minimum Entry | 1 ANB | 1 ANB | 1 ANB | 1 ANB |
| Maximum Entry | 70 ANB | 65 ANB | 60 ANB | 55 ANB |



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5.1.2 Policy Term

Whole of Life

5.1.3 Premium Term

Choice of 5, 10, 15 or 20-year premium payment term.

5.2 Currency

SGD only.

5.3 Minimum Premium

| Premium Payment Term | Minimum Premium | | | |
|----------------------|-----------------|-----------|-------------|-----------|
| | Monthly | Quarterly | Half-Yearly | Yearly |
| 5 | SGD3,000 | SGD9,000 | SGD18,000 | SGD36,000 |
| 10 | SGD750 | SGD2,250 | SGD4,500 | SGD9,000 |
| 15 | | | | |
| 20 | | | | |

5.4 Frequency of Payment

Yearly/ Half-yearly/ Quarterly/ Monthly

5.5 Method of Payment

Regular Premium payment.

Available via cash, cheque, GIRO and credit card. Payment by all credit card (VISA or MASTERCARD only) is only allowed for first premium.

For subsequent renewal premium, Prudential/SCB/DBS/POSB/Maybank/UOB credit cards are allowed. Other banks' credit cards are not allowed.

Monthly

Payment of monthly mode can only be made by credit card and GIRO.

For payment via GIRO, the first 2 monthly premiums must be made via cash, cheque or credit card.

6 CHARGES

From the second month following the first premium due date of the policy and on the same day every month, we bill the policyholder for the charges as shown below.



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6.1 Policy Establishment Charge

- deducted from the Initial Account;
- deducted for the duration of the premium payment term; and
- is 4% p.a. of the latest Initial Account value as at the time we bill the policyholder.

6.2 Administration Charge

- deducted from the Initial Account and Accumulation Account;
- deducted for the duration of the policy term; and
- is 0.75% p.a. of the latest Initial Account and Accumulation Account value as at the time we bill the policyholder. The amounts are deducted from the respective Accounts.

Please note that the Administration Charges are not guaranteed and we reserve the right to increase the Administration Charges up to a maximum of 1.5% p.a. However, we will give 30 days' written notice before doing so.

6.3 Policy Fee

- deducted from the Accumulation Account;
- deducted after the Initial Contribution Period for the duration of the policy term; and
- is SGD12 per month for PruSelect Vantage (SGD);

Please note that the Policy Fees are not guaranteed and we reserve the right to increase the policy fees up to a maximum of SGD24 per month for PruSelect Vantage (SGD). However, we will give 30 days' written notice before doing so.

6.4 Surrender Charge

The surrender charge shall be calculated as a percentage of the Initial Account value as at the Unit Sale Date (as defined in Section 7.2.2). The applicable percentage shall be in accordance with the Surrender Charge Table below.

Surrender Charge Table

| Number of completed months* | 5 year Premium Term | 10 year Premium Term | 15 year Premium Term | 20 year Premium Term |
|-----------------------------|---------------------|----------------------|----------------------|----------------------|
| 1 - 12 (Year 1) | 100% | 100% | 100% | 100% |
| 13 - 24 (Year 2) | 100% | 100% | 100% | 100% |
| 25 - 36 (Year 3) | 30% | 39% | 58% | 70% |
| 37 - 48 (Year 4) | 21% | 35% | 55% | 68% |
| 49 - 60 (Year 5) | 11% | 31% | 52% | 66% |
| 61 - 72 (Year 6) | | 23% | 46% | 64% |
| 73 - 84 (Year 7) | | 19% | 43% | 61% |
| 85 - 96 (Year 8) | | 14% | 39% | 58% |
| 97 - 108 (Year 9) | | 10% | 35% | 55% |
| 109 - 120 (Year 10) | | 5% | 31% | 52% |
| 121 - 132 (Year 11) | | | 23% | 46% |
| 133 - 144 (Year 12) | | | 19% | 43% |
| 145 - 156 (Year 13) | | | 14% | 39% |



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| Number of completed months* | 5 year Premium Term | 10 year Premium Term | 15 year Premium Term | 20 year Premium Term |
|-----------------------------|---------------------|----------------------|----------------------|----------------------|
| 157 - 168 (Year 14) | | | 10% | 35% |
| 169 - 180 (Year 15) | | | 5% | 31% |
| 181 - 192 (Year 16) | | | | 23% |
| 193 - 204 (Year 17) | | | | 19% |
| 205 - 216 (Year 18) | | | | 14% |
| 217 - 228 (Year 19) | | | | 10% |
| 229 - 240 (Year 20) | | | | 5% |

*from the Cover Start Date

6.5 Investment Charges

Please refer to the respective schedules in the relevant fund prospectuses for details.

The Policy Establishment Charges, Administration Charges and Policy Fees will be funded through the cancellation of units in the respective Accounts. If there are insufficient units in an Account, then the charges will be treated as outstanding amounts owing to us. We will not refund the charges deducted from the Account(s) upon the surrender or termination of the main policy.

Every month we will bill the policyholder for the charges. We will calculate the charges in accordance with the following formula:

$C + Y =$ the date on which the Investment Manager determines the net asset value of the PruSelect Fund ("the **Charge Date**")

(where *C* means the date on which the units are cancelled by us when we place a unit sale order with the relevant Investment Manager; and where *Y* shall be the number of days after *C* date when the Investment Manager determines the net asset value of the PruSelect Fund of which unit(s) we have cancelled to pay for the charges).

We use the unit price on the billing date and effect the deduction of charges on the Charge Date. We sell proportionate units from all the PruSelect Funds the policyholder invested in to pay for the charges. We will calculate the proportionate units to be sold based on the number of units still invested by the policyholder in each of the PruSelect Funds within the Initial Account or Accumulation Account as at the time of such sale.

Our calculation, and the subsequent determination of the final results, shall be final and binding.

7 POLICY VALUES

7.1 Surrender Value

The surrender value consists of:

- the value of the units in the Account(s) less the surrender charge; and



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- b) any premium the policyholder has paid which was intended to be used to buy units but have yet to be invested, less any amounts owing to us.

7.2 Alteration

7.2.1 Change the regular premium distribution

At any time, the policyholder can ask us to change the proportions in which the regular premiums are being invested. The policyholder can only change in multiples of 5% and into any of the funds that are currently available. We make the change the next time the policyholder pays the regular premium.

To make a change, the policyholder must use our appropriate application form and meet the conditions on it. We will notify the policyholder if we accept the application.

7.2.2 Switching from one fund to another

When the policyholder has enough units in the Account(s), he/ she can ask us to switch them to other PruSelect Fund(s) that are available. The policyholder must specify which Account (the Initial or Accumulation Account) the policyholder wish to switch out from. Funds from the different Accounts cannot be combined (i.e. funds from the Initial Account cannot be transferred into the Accumulation Account and vice versa). They will remain separate even though the policyholder may choose the same fund to switch into.

The minimum amount the policyholder can switch out of a PruSelect Fund is currently SGD1,000. The remaining units in the PruSelect Fund that the policyholder are switching out from must be worth at least SGD1,000 based on the unit price at the time the switch is carried out. If not, the policyholder must switch all the units out of the PruSelect Fund.

We will make the switch in accordance with the following formula and steps:

$S + Z$ = the date on which the Investment Manager determines the net asset value of the PruSelect Fund ("the **Unit Sale Date**")

(where S means the date on which the unit sale order is placed by us with the relevant Investment Manager; and where Z shall be the number of days after S date when the Investment Manager determines the net asset value of the PruSelect Fund of which unit(s) the policyholder has sold).

Step 1: If we accept the application, we will sell the existing unit(s) which the policyholder has instructed to switch out from at the unit price calculated on the Unit Sale Date.

Step 2: After selling such existing unit(s), we will use the proceeds of sale to buy the unit(s) the policyholder has instructed us to switch into, as if such proceeds of sale are the premiums collected under this policy.

For the purposes of this document, the date of acceptance of the application shall mean the date on which we receive the relevant application form from the policyholder before 3pm of that date, provided that all conditions for



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acceptance have been fully satisfied. If we receive the relevant application form at or after 3pm on any particular date, the date of acceptance of application shall be deemed to be the following business day, provided that all conditions for acceptance have been fully satisfied.

Our calculation, and the subsequent determination of the final results, shall be final and binding.

We currently do not charge for fund switches. However, we reserve the right to levy a switching fee but will give the policyholder 30 days' written notice before doing so.

7.2.3 Increase the regular premium

No increase in regular premium is allowed.

7.2.4 Reduce the Regular Premium

The policyholder can reduce the amount he/ she pay as regular premium but the reduced amount must be equal to or more than any minimum amount we specify. The reduction starts from the date the next premium is due. After that, the policyholder pays the reduced regular premium every time the premium falls due.

If the policyholder reduces the regular premium during the Initial Contribution Period:

- there will be a charge which is 100% of the extracted amount (i.e. (the value of the Initial Account less any First-year bonus paid) multiplied by the percentage of premium reduced); and
- the First-year bonus (if any) will be adjusted as if the reduced premiums are paid from the first premium due date.

Example:

PruSelect Vantage policy with a 10-year premium term and monthly premiums of \$2,000, incepted on 3 October 2011.

If the policyholder reduces the regular premium within the Initial Contribution Period

Application submitted to reduce the regular premium to \$1,200 per month on 25 May 2012 for next premium due on 3 June 2012.

Value of units in Initial Account as at 25 May 2012
= \$17,000

First-year bonus allocated as at 25 May 2012
= $1\% \times 10 \times \$2,000 \times 8 \text{ months}$
= \$1,600

Percentage of the premium reduced
= $(\$2,000 - \$1,200) / \$2,000$
= 40%

Charge



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$$\begin{aligned} &= (\$17,000 - \$1600) \times 40\% \\ &= \$6,160 \end{aligned}$$

$$\begin{aligned} &\text{First-year Bonus under reduced premiums} \\ &= 0\% \times 10 \times \$1,200 \times 8 \text{ months} \\ &= \$0 \end{aligned}$$

$$\begin{aligned} &\text{Adjustments of First-year Bonus} \\ &= \$1600 - \$0 \\ &= \$1600 \end{aligned}$$

$$\begin{aligned} &\text{Total charge and adjustments to be deducted from Initial Account} \\ &= \$6,160 + \$1600 \\ &= \$7,760 \end{aligned}$$

If the policyholder reduces the regular premium after the Initial Contribution Period

Application submitted to reduce the regular premium to \$1,200 per month on 1 November 2016 for next premium due on 3 December 2016.

No charge and adjustments of First-year bonus is applicable.

7.2.5 Withdraw from the Account

The policyholder can make a partial withdrawal by asking us to sell some of the units from the Accumulation Account.

The policyholder can only make a partial withdrawal if he/ she has a minimum amount in the Accumulation Account. The minimum amount the policyholder can withdraw is currently SGD1,000. The remaining units in the Accumulation Account must be worth at least SGD5,000 based on the unit price at the time of withdrawal. If not, the policyholder will not be able to make a partial withdrawal.

The policyholder cannot make a partial withdrawal from the Initial Account.

If we accept the policyholder's application, we will sell the existing unit(s) which he/ she has instructed to withdraw from at the unit price calculated on the Unit Sale Date (as defined in section 7.2.2).

For the purposes of this document, the date of acceptance of the policyholder's application shall mean the date on which we receive the relevant application form from the policyholder before 3pm of that date, provided that all conditions for acceptance have been fully satisfied. If we receive the relevant application form at or after 3pm on any particular date, the date of acceptance of application shall be deemed to be the following business day, provided that all conditions for acceptance have been fully satisfied.

Our calculation, and the subsequent determination of the final results, shall be final and binding.



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We will pay the policyholder no later than 3 working days after receiving the proceeds of sale of the last relevant PruSelect Fund from the relevant Investment Manager.

7.2.6 Surrender the policy

The policyholder can apply at any time to surrender the policy. We pay the policyholder the surrender value which consists of:

- a) the value of the units in the Account(s) less the surrender charge; and
- b) any premium the policyholder has paid which was intended to be used to buy units but have yet to be invested, less any amounts owing to us.

If we accept the policyholder's application, we will sell the existing unit(s) which he/she has instructed to surrender from at the unit price calculated on the Unit Sale Date.

For the purposes of this document, the date of acceptance of the policyholder's application shall mean the date on which we receive the relevant application form from the policyholder before 3pm of that date, provided that all conditions for acceptance have been fully satisfied. If we receive the relevant application form at or after 3pm on any particular date, the date of acceptance of application shall be deemed to be the following business day, provided that all conditions for acceptance have been fully satisfied.

Our calculation, and the subsequent determination of the final results, shall be final and binding.

We will not refund any charges deducted from the Account(s) upon the surrender of the policy.

We will pay the policyholder no later than 3 working days after receiving the proceeds of sale of the last relevant PruSelect Fund from the relevant Investment Manager.

7.3 Failure to Pay Premiums

(A) What happens if the policyholder fails to pay premiums during the Initial Contribution Period?

If the policyholder fails to pay a premium on time during the Initial Contribution Period, the policy lapses and the relevant surrender charge will apply (refer to the section on surrender charge for more details).

In order for the policy to be reinstated during the Initial Contribution Period:

- the policyholder must submit the relevant application form within 12 months from the last premium due date;
- the policyholder must pay all unpaid premiums; and
- we must have already billed the policyholder for the unpaid charges.

In order for the policy to be reinstated after the Initial Contribution Period:

- the policyholder must submit the relevant application form within 12 months from the last premium due date;



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- the policyholder must pay all unpaid premiums due during the Initial Contribution Period. Payment of unpaid premiums for the Accumulation Account is optional provided that there are sufficient units to fund the charges; and
- we must have already billed the policyholder for the unpaid charges that are to be deducted from the Accounts.

(B) What happens if the policyholder fails to pay premiums after the Initial Contribution Period?

After the Initial Contribution Period, if the policyholder fails to pay a premium on time or the policyholder discontinues paying the premiums and:

1. there are units in the Accumulation Account, the policy continues for the same basic benefits. However, all supplementary benefits (if any) automatically discontinue. We continue to bill the policyholder for the various charges from the respective Accounts. The policyholder can resume the regular premium payment for the main policy at any point in time.
2. there are no units in the Accumulation Account, the policy continues for 12 months from the date the last charge was deducted from the Accumulation Account. The Policy Establishment Charge and Administration Charge on the Initial Account continue to be billed during the 12-month period and any charges in the Accumulation Account will be treated as outstanding amounts owing to us. The policyholder must resume the regular premium payment for the main policy during such 12-month period. If the policyholder does not resume the regular premiums, then after such 12-month period, the policy will terminate and we pay the policyholder the surrender value (if any) less any outstanding amounts owing to us. The policyholder cannot reinstate the policy on or after such termination.

We reserve the right to reinstate the supplementary benefits that are available at the time of reinstatement.

Upon reinstatement, should the PruSelect Fund originally invested in be no longer available then the policyholder must choose another PruSelect Fund to invest in. Accordingly, in the event that the policyholder fails to choose another PruSelect Fund, the reinstatement of the policy may not be successful.

7.4 Paid-up Values

Not applicable.

7.5 Surgical and Nursing Loan

Not applicable.

7.6 Policy Loan

Not applicable.

8 POLICY CONDITIONS

8.1 Free Look Provision



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The policy may be cancelled by written request to us within 14 days after the policyholder receives the Policy Document. The amount of refund will be the premiums paid less any outstanding amounts owing to us in connection to the policy.

However, if part or all of the premium has been used to purchase units in the PruSelect Fund(s) that the policyholder has chosen, the fluctuation in the unit prices will be used to work out the amount to be refunded to policyholder less any outstanding amounts owing to us in connection to the policy. We will use a premium refund formula as determined by us, to work out the amount to be refunded.

If the policy is sent by post it is deemed to have been delivered and received in the ordinary course of the post, 7 days after the date of posting.

8.2 Grace Period

30 days from the premium due date.

8.3 Statement of Account

The Statement of Account will be sent to the policyholders for inforce policies on the same day every month after policy inception.

8.4 Governing Law

The policy is governed by and interpreted according to the laws of the Republic of Singapore and the Singapore Courts have the exclusive authority to hear and decide on any dispute arising from the policy.

8.5 Changes to Policy Benefit and Conditions

The Company reserves the right to vary the policy benefits and conditions at any time by giving 30 days notice to the policyholder before doing so.

8.6 Taxes

8.6.1 Goods and Services Tax (GST)

GST is not applicable.

8.6.2 Withholding tax

Income, including interest income, from Life insurance policies paid to non-residents is exempt from withholding tax.

However, interest payments on death claims (if applicable) to non-residents is subject to withholding tax.

Withholding tax is applicable at the point of death claims proceed and/or interest payment on death claims for policies purchased using SRS funds by a foreigner or Singapore Permanent Resident (SPR). Withholding tax is at 22% (based on the prevailing highest individual tax rate) on 50% of the payment (proceeds and/or interest).



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On a separate note, if the date of payment is from 1 July 2012 onwards, the filing and payment of withholding tax must be made to IRAS by the 15th of the second month from the date of payment. In addition, from 1 July 2016, the withholding tax form can only be filed electronically via myTax Portal, for withholding tax payment to IRAS.

Please also note that the withholding tax rate may change from year to year.

8.7 Termination

The policy will terminate once any of the following occurs:

- on the death of the life assured;
- when premiums are not paid during the Initial Contribution Period;
- when premiums are not paid, there are no more units in the Accumulation Account and 12 months have passed from the date the last charge was deducted from the Accumulation Account without resumption of premium payment;
- when there are no more units in the Accumulation Account and 12 months have passed from the date the last charge was deducted from the Accumulation Account, despite premiums being paid;
- when the policyholder cancels the policy within the review period; or
- when the policyholder surrenders the policy.

We will not refund any charges deducted from the Account(s) upon the termination of the policy.

9 SUPPLEMENTARY BENEFITS

The supplementary benefits available are Payer Security III, Early Stage Crisis Waiver and Crisis Waiver III.

The policyholder can add these benefits only if they are available and the life assured is within the age limits at the time when the benefits are selected.

If the policy has a 5-year premium payment term, the policyholder can only add the supplementary benefits at the start of the policy.

We reserve the right to change the age limits at any time in the future.

| Supplementary benefits | Age* limits |
|--|-------------|
| Payer Security III - parent or legal guardian | 18 – 54 |
| - child or ward | 0 – 17 |
| Early Stage Crisis Waiver | 15 – 69 |
| Crisis Waiver III | 15 – 69 |

* *attained age*

To apply, the policyholder must use our appropriate application form and meet the conditions on it. We will notify the policyholder if we accept the application.



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10 UNDERWRITING GUIDELINES

10.1 Medical Underwriting

The main policy is a GIO product. There is no medical underwriting at application for the main policy.

Medical underwriting is required if Early Stage Crisis Waiver, Crisis Waiver III or Payer Security III is attached. The usual Regular Premium/ Juvenile proposal form will be used.

10.2 Nationality

Available to all Singaporeans, Singapore Permanent Residents and foreigners with valid passes. Foreigners without valid passes will be assessed on a case by case basis.

For supplementary benefit attachment, the existing underwriting guidelines apply.



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PRUSelect Vantage

FREQUENTLY ASKED QUESTIONS

PRODUCT FEATURES

Q1 WHAT IS PRUSELECT VANTAGE?

A2 PruSelect Vantage is a regular premium investment-linked policy that allows the policyholder to invest in any of the funds available for this policy. It has a fixed premium payment term of 5, 10, 15 or 20 years.

The main policy is a GIO product.

Q2 WHAT IS INITIAL CONTRIBUTION PERIOD?

A2 The Initial Contribution Period ("ICP") is the first 24 months where premium are received from the first premium due date.

Q3 HOW MANY ACCOUNTS DOES PRUSELECT VANTAGE HAVE?

A3 PruSelect Vantage has 2 accounts. Premiums received for the first 24 months (ICP) from the first premium due date of the policy will be placed into the Initial Account. Subsequently, premiums received are placed into the Accumulation Account.

Q4 HOW DOES THE POLICYHOLDER QUALIFY FOR FIRST-YEAR BONUS?

A4 If the annualised premium is at least SGD18,000, we give the policyholder the First-year Bonus. The First-year Bonus is as follows:

| Premium Term | Percentage of the annualised premium* |
|--------------|---------------------------------------|
| 5 years | 5% |
| 10 years | 10% |
| 15 years | 15% |
| 20 years | 20% |

* excluding premiums of supplementary benefits (if any).

If the policy has a 5-year premium payment term, the annualised premium must be at least SGD60,000, to qualify for the First-year Bonus.

This bonus will be converted into additional units and placed in the Initial Account upon each receipt of premium in respect of the first 12 months from the first premium due date of the policy.



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Q5 HOW IS THE LOYALTY BONUS DIFFERENT FOR 5-YEAR PREMIUM PAYMENT TERM VS. 10/15/20-YEAR PREMIUM PAYMENT TERM?

A5 Loyalty Bonus for 5-year premium payment term is 0.5% of the Average Accumulation Account Value payable after premium payment term whereas Loyalty Bonus for 10/15/20-year premium payment term is a percentage of the Average Annualised Premium payable during premium payment term. *Please see Section 3.3.2 of the Product Features for more details.

Q6 WHAT ARE THE CHARGES APPLICABLE FOR PRUSELECT VANTAGE?

A6 The charges applicable for PruSelect Vantage are:

- Policy Establishment Charge (as a percentage of Initial Account)
- Administration Charge (as a percentage of both Initial Account and Accumulation Account)
- Policy Fee (deducted from Accumulation Account)
- Surrender Charge (as a percentage of Initial Account)
- Fund Management Charge

Q7 WHAT HAPPENS IF THE POLICYHOLDER SURRENDERS HIS POLICY?

A7 There is a surrender charge on the Initial Account if the policyholder surrenders the policy during the premium payment term.

The surrender charge is calculated as a percentage of the Initial Account value as at the Unit Sale Date (as defined in Section 7.2.2 of the Product Features). Please refer to Section 6.4 of the Product Features for the Surrender Charge Table.

Example

PruSelect Vantage policy with a 10-year premium term, incepted on 3 October 2011.

Application to surrender the policy is accepted on 5 September 2016.

Let the Unit Sale Date = 7 September 2016.

Value of units in the Initial Account
based on unit price on 7 September 2016 = \$30,000

Value of units in the Accumulation Account
based on unit price on 7 September 2016 = \$48,000

Surrender charge percentage = 31%

Surrender charge on the Initial Account = \$30,000 x 31%
= \$9,300

No surrender charge is applicable on the Accumulation Account.

Surrender value payable = \$30,000 – \$9,300 + \$48,000
= \$68,700

Q8 IS LUMP SUM TOP UP AVAILABLE FOR PRUSELECT VANTAGE?



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A8 Lump sum top up is not allowed.

Q9 CAN THE POLICYHOLDER CHANGE THE PREMIUM PAYMENT TERM AFTER POLICY INCEPTION?

A9 No. The policyholder cannot change the premium payment term after policy inception.

Q10 CAN THE POLICYHOLDER CHANGE THE REGULAR PREMIUM DISTRIBUTION?

A10 Yes. The policyholder can request for a change in premium redirection at the next premium due date. The distribution of PruSelect Funds needs to be in multiples of 5%. At any one time, the policyholder can only choose a maximum of 10 PruSelect Funds.

Q11 CAN THE POLICYHOLDER INCREASE REGULAR PREMIUMS?

A11 No increase in regular premium is allowed.

Q12 CAN THE POLICYHOLDER REDUCE REGULAR PREMIUMS?

A12 Yes. The policyholder can reduce the amount he/ she pays as regular premium but the reduced amount must be equal to or more than any minimum amount we specify. The reduction starts from the date the next premium is due. After that, the policyholder pays the reduced regular premium every time the premium falls due.

If the policyholder reduces the regular premium during the Initial Contribution Period:

- there will be a charge which is 100% of the extracted amount (i.e. (the value of the Initial Account less any First-year Bonus paid) multiplied by the percentage of premium reduced); and
- the First-year Bonus (if any) will be adjusted as if the reduced premiums are paid from the first premium due date.

If the policyholder reduces the regular premium after the Initial Contribution Period, there will be no charge and no adjustment to the First-year Bonus.

Q13 CAN THE POLICYHOLDER MAKE A PARTIAL WITHDRAWAL FROM THE INITIAL ACCOUNT?

A13 No. The policyholder cannot make a partial withdrawal from the Initial Account.

Q14 CAN THE POLICYHOLDER MAKE A PARTIAL WITHDRAWAL FROM THE ACCUMULATION ACCOUNT?

A14 The policyholder can only make a partial withdrawal from the Accumulation Account if there is a minimum amount in the Accumulation Account. The minimum amount the policyholder can withdraw is currently SGD1,000. The remaining units in the Accumulation Account must be worth at least SGD5,000 based on the unit price at the time of withdrawal. If not, the policyholder will not be able to make a partial withdrawal.



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Q15 CAN A POLICYHOLDER DO A FUND SWITCH ACROSS THE INITIAL ACCOUNT AND ACCUMULATION ACCOUNT?

A15 No. Funds from the different Accounts cannot be combined (i.e. funds from the Initial Account cannot be transferred into the Accumulation Account and vice versa). They will remain separate even though the policyholder may choose the same fund to switch into.

The minimum amount the policyholder can switch out of a PruSelect Fund is currently SGD1,000. The remaining units in the PruSelect Fund that the policyholder is switching out from must be worth at least SGD1,000 based on the unit price at the time the switch is carried out. If not, the policyholder must switch all the units out of the PruSelect Fund.

Q16 CAN A POLICYHOLDER ADD SUPPLEMENTARY BENEFITS?

A16 The policyholder can add Early Stage Crisis Waiver, Crisis Waiver III or Payer Security III only if they are available and the life assured is within the age limits at the time the benefits are selected.

If the policy has a 5-year premium payment term, the policyholder can only add the supplementary benefits at the start of the policy.

Early Stage Crisis Waiver is not attachable to a PruSelect Vantage plan with 5-year premium payment term as the maximum premium to be waived is SGD\$15,000 per annum, per life. The usual supplementary benefits rules still apply.

Q17 IS POLICY LOAN ALLOWED FOR PRUSELECT VANTAGE?

A17 No. Policy loan is not allowed for PruSelect Vantage.

PREMIUM

Q18 WHAT IS THE MINIMUM ANNUALISED PREMIUM FOR PRUSELECT VANTAGE?

A18 The minimum annualised regular premium is as follows:

| 5-year premium payment term | 10, 15 or 20-year premium payment term |
|-----------------------------|--|
| SGD36,000 | SGD9,000 |

Q19 WHAT IS THE PREMIUM ALLOCATION RATE?

A19 We use 100% of the regular premium to buy units at the unit price in the PruSelect Fund(s) chosen.

FUNDS

Q20 FOR PRUSELECT VANTAGE, CAN THE POLICYHOLDER INVEST IN PRULINK FUNDS?

A20 No. The policyholder can only invest in any of the funds available for this policy which can be viewed on our company website at www.prudential.com.sg.



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Q21 DOES THE POLICYHOLDER HAVE TO INCLUDE THE FUND CODES OF THE PRUSELECT FUNDS WHEN HE/ SHE FILLS IN THE FORMS?

A21 Yes. The policyholder will need to check the website for the fund codes and specify it in the proposal/ application forms.

Q22 WHAT IS THE DIFFERENCE BETWEEN PRULINK FUNDS AND PRUSELECT FUNDS?

A22

| PruSelect Funds | PruLink Funds |
|--|--|
| Direct subscription into the units of the Unit Trust | Subscription into the units of the PruLink Fund |
| Net Asset Value (NAV) | Bid Offer |
| Factsheets, Product Highlights Sheet, Prospectus, Semi-annual and Annual reports will be direct from the Investment Manager | PruLink Factsheets, Fund Information Booklet, Product Highlights Sheet, Semi-annual and Annual reports from Prudential |
| Price will be dependent on the price the relevant Investment Manager provides subject to both Singapore and the country the fund is domiciled in | Price is provided at the PruLink level and is only subject to Singapore's holiday |

Q23 WHAT IS THE UNIT PRICE USED FOR SUBSCRIPTION, SWITCHING AND WITHDRAWAL?

A23 We use the unit price calculated on the date on which the Investment Manager determines the net asset value of the PruSelect Fund in accordance with the following formula to buy units:

$T + X$ = The date on which the Investment Manager determines the net asset value of the PruSelect Fund

T is the date on which the unit purchase or sale order is placed by us with the relevant Investment Manager;

X is the number of days after T date when the Investment Manager determines the net asset value of the PruSelect Fund of which unit(s) are purchased or sold.

Q24 WHAT IS THE UNIT PRICE USED FOR DEDUCTING CHARGES?

A24 The charges are calculated using the unit price on the billing date. We sell proportionate units from all the PruSelect Funds the policyholder has invested to pay for the respective charges in the respective Accounts.

NEW BUSINESS

Q25 WHO IS ELIGIBLE TO APPLY FOR PRUSELECT VANTAGE?

A25 PruSelect Vantage is available to all Singaporeans, Singapore Permanent Residents and foreigners with valid passes. Foreigners without valid passes will be assessed on a case by case basis.



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For supplementary benefit attachment, the existing underwriting guidelines apply.

Q26 IS THERE MEDICAL UNDERWRITING FOR PRUSELECT VANTAGE?

A26 The main policy is a GIO product. There is no medical underwriting at application for the main policy.

Medical underwriting is required if Early Stage Crisis Waiver, Crisis Waiver III or Payer Security III is attached. The usual Regular Premium/ Juvenile proposal form will be used.

Q27 WHEN IS THE JUVENILE PROPOSAL FORM USED?

A27 The Juvenile proposal form is used when Payer Security III is attached. Otherwise, the standalone PruSelect Vantage form (for GIO) or Regular Premium form (full underwriting) should be used.

Q28 IS BACKDATING ALLOWED?

A28 No. Backdating is not allowed for this policy.

For PruSelect Vantage without supplementary benefit attachment, there is no need for a fresh quotation based on increased anb. However, the policy issued will be based on the higher anb. For example, the application was signed one day before the client turns 31 anb and the quotation was generated based on 30 anb. The policy will be issued based on 31 anb but no fresh quotation is required.

For PruSelect Vantage attached with supplementary benefits where backdating is required due to increase in premium for the riders, the premiums will be adjusted for the riders only. However, the policy will still be issued based on the higher ANB and fresh quotation is not required.

POLICY SERVICING

Q29 WHEN WILL THE POLICYHOLDER RECEIVE STATEMENT OF ACCOUNT?

A29 We will send the Statement of Account for inforce policies on a monthly basis.

Q30 IS MID-TERM ADD (MTA) FOR SUPPLEMENTARY BENEFITS AVAILABLE FOR PRUSELECT VANTAGE?

A30 MTA for supplementary benefits is available for PruSelect Vantage with 10 / 15 / 20-year premium payment term only. However, MTA for supplementary benefits is not available for PruSelect Vantage with 5-year premium payment term.



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PRUSelect Vantage

SALES & MARKETING PROPOSITIONS

Here are some **Marketing Features** which you may find useful for PruSelect Vantage:

| | |
|--|---|
| High allocation rates | With 100% premium allocation rate, customers get to see their money work from the first day. |
| Wide range of funds for investments | Customers have access to a wide range of Funds ranging from lower to higher risk, investing into different regions and different asset classes. What's more, should their investment objective or risk profile change, they can switch from one fund to another as many times as they wish, absolutely free ¹ ! |
| First-year Bonus | Customers get to enjoy First-year Bonus ² of up to 20% which helps to potentially create and accumulate more wealth. |
| Loyalty Bonus | Customers get rewarded with Loyalty Bonuses ³ for their consistent and diligent regular investment (applicable to 10-year / 15-year / 20-year premium payment term) or for life as long as the policy is not terminated (applicable to 5-year premium payment term). |

Here are some **Market Segments** that you may want to target:

| | |
|--|--|
| Customers who want to use the product for wealth accumulation | PruSelect Vantage may be suitable for customers who aim to accumulate wealth through regular investment. With 100% allocation rates from the first day, PruSelect Vantage helps to potentially create and accumulate more wealth. |
| Customers looking for a wide range funds | PruSelect Vantage may be suitable for customers who are looking for an open architecture platform. |
| Customers who can commit to paying regular premiums | PruSelect Vantage may be suitable for customers who can commit to pay regular premiums for a chosen period of time, compared to other single premium products available. |



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| | |
|---|---|
| Customers who can afford to pay higher regular premiums | PruSelect Vantage may be suitable for customers who can afford to pay regular premiums of SGD9,000 or more per year (applicable to 10-year / 15-year / 20-year premium payment term) or SGD36,000 or more per year (applicable to 5-year premium payment term). |
| Customers who are comfortable without any guaranteed surrender values and non-guaranteed charges | PruSelect Vantage may be suitable for customers who are comfortable with no guaranteed surrender values and understand that the charges that are deducted from the policy are also non-guaranteed. |
| Customers who want some investment control | PruSelect Vantage may be suitable for customers who want to have investment control through the ability to choose funds from our wide range of funds available, and are willing to accept the responsibility of monitoring their investment as fund prices are subject to market volatility and thus shouldering the risks from this product. |
| Customers who desires flexibility in their policy | PruSelect Vantage may be suitable for customers who desire to have flexibility such as reducing ⁴ the regular premiums on their policy, control over their investments with fund switches ¹ and make withdrawals ⁵ . |

Notes:

1. We currently do not charge for fund switches. However, we reserve the right to levy a switching fee but will give you 30 days' written notice before doing so.
2. Percentage of First-year Bonus depends on the premium payment term selected. Only if the annualised premium is \geq SGD 18,000 (applicable to 10-year / 15-year / 20-year premium payment term) or SGD 60,000 (applicable to 5-year premium payment term).
3. The policy's Loyalty Bonus entitlement ceases once the premium payment term ends (applicable to 10-year / 15-year / 20-year premium payment term only). To qualify for the Loyalty Bonuses, you must meet the terms and conditions attaching to it.
4. Charge and adjustments of First-year Bonus is applicable for reduction of regular premium before Initial Contribution Period (ICP).
5. Partial withdrawal is only available after the ICP. Partial withdrawal can only be made if the plan meets (1) the minimum amount in the Accumulation Account and (2) the minimum withdrawal amount. If not, the policyholder will not be able to make a partial withdrawal.