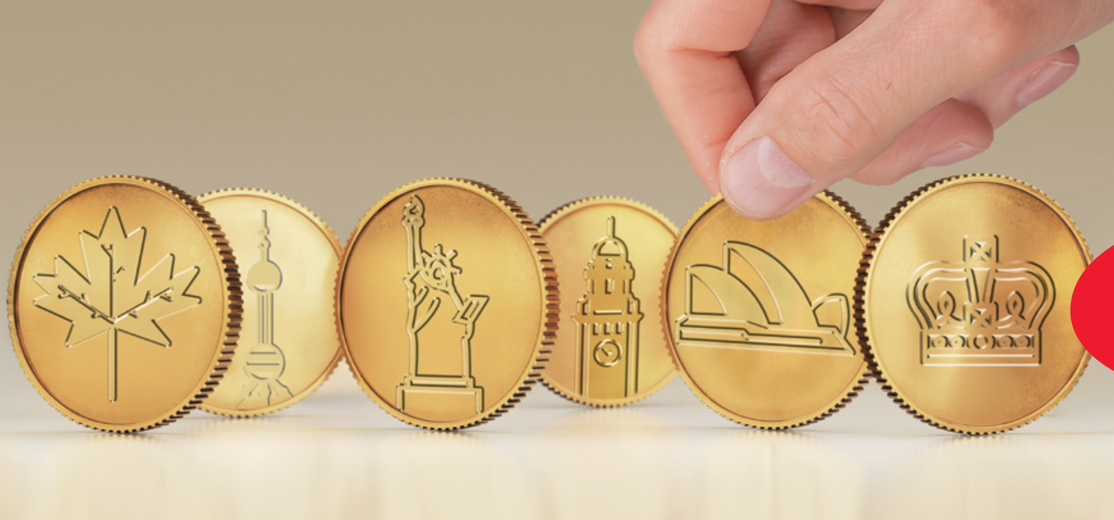

Listening. Understanding. Delivering.

# A Quick Guide to Prudential Entrust Multi-Currency Plan's Currency Change Option

**Prudential Entrust Multi-Currency Plan** offers a **Currency Change Option**, allowing you to take out the plan in your choice of **6 currencies** and **switch flexibly to best suit your evolving needs**.

What's more, we **guarantee** you can **stay with the same plan without any changes** to the plan features or effective date of your policy **after you switch the currency**, meaning you can **continue growing your wealth** and **moving towards your initial financial objectives uninterrupted**.

## Illustrative example:

Chris takes out a **Prudential Entrust Multi-Currency Plan** with a 5-year premium term in USD, a notional amount of USD 300,000.

18 years later, he uses the **Currency Change Option** to **change the policy currency to CAD** to fund his daughter, Karen pursuing her tertiary study in Canada.

## Policy details

| | |
|---|---|
| Policyholder & life assured | Chris |
| Premium term | 5 years |
| Annual premium | USD 60,000 |
| Total premiums paid | USD 300,000 |

## How the Currency Change Option works?

Policy starts → 18 → Policy year

We determine the value of Chris's policy in the first $18^{th}$ policy year in the same way as in the reference USD policy. (Table 1)

18 years later, he uses the **Currency Change Option** to change the policy currency to CAD (Table 2) to fund Karen's tertiary study in Canada.

After Chris exercised the **Currency Change Option**, his policy value will be determined in the same way as the reference CAD policy.

**You can find more details about the product features and risk disclosures in the product brochure.**

# Table 1 Policy value of other Prudential Entrust Multi-Currency Plan's reference policies:

| End of policy year | USD policy — 5-year premium term, notional amount USD 300,000: Total premium paid | Guaranteed cash value (A) | Non-guaranteed cash value of the Reversionary Bonus (B) | Non-guaranteed cash value of the Terminal Bonus (C) | Total Cash Value (A)+(B)+(C) | CAD policy — 5-year premium term, notional amount CAD 300,000 1d: Total premium paid | Guaranteed cash value (A) | Non-guaranteed cash value of the Reversionary Bonus (B) | Non-guaranteed cash value of the Terminal Bonus (C) | Total Cash Value (A)+(B)+(C) |
|---|---|---|---|---|---|---|---|---|---|---|
| 16 | 300,000 | 251,175 | 69,527 | 282,465 | 603,167 | 300,000 | 198,000 | 69,527 | 259,868 | 527,395 |
| 17 | 300,000 | 261,609 | 75,070 | 311,991 | 648,670 | 300,000 | 205,200 | 75,070 | 291,324 | 571,594 |
| **18** | **300,000** | **302,778** | **80,696** | **320,532** | **704,006** | **300,000** | **212,700** 2c | **80,696** 2e | **321,728** 2g | **615,124** 2a |
| 19 | 300,000 | 305,253 | 86,406 | 367,827 | 759,486 | 300,000 | 220,500 | 86,406 | 356,072 | 662,978 |
| 20 | 300,000 | 306,984 | 92,202 | 432,216 | 831,402 | 300,000 | 229,890 | 92,202 | 385,801 | 707,893 |

# Table 2 Chris's policy value if he uses the Currency Change Option:

| End of policy year | Policy currency | Notional amount | Total premiums paid | Guaranteed cash value (A) | Non-guaranteed cash value of the Reversionary Bonus (B) | Non-guaranteed cash value of the Terminal Bonus (C) | Total Cash Value (A)+(B)+(C) |
|---|---|---|---|---|---|---|---|
| 16 | USD | 300,000 | 300,000 | 251,175 | 69,527 | 282,465 | 603,167 |
| 17 | USD | 300,000 | 300,000 | 261,609 | 75,070 | 311,991 | 648,670 |
| **18 before exercising Currency Change Option** | **USD** | **300,000** | **300,000** 3a | **302,778** | **80,696** | **320,532** | **704,006** 1a |
| **18 after exercising Currency Change Option** | **CAD** | **412,018** 2b | **360,000** 3b | **292,121** 2d | **110,827** 2f | **441,859** 2h | **844,807** 1c |
| 19 | CAD | 412,018 | 360,000 | 302,833 | 118,670 | 489,027 | 910,530 |
| 20 | CAD | 412,018 | 360,000 | 315,729 | 126,630 | 529,857 | 972,216 |

The prevailing exchange rate as at the 18th policy anniversary:
1 USD = 1.2 CAD 1b

# Illustration of using Currency Change Option

a) We determine the value of Chris's policy in the first 18th policy year in the same way as in the reference USD policy Table 1.

b) Chris requests to exercise his **Currency Change Option** to change from USD to CAD, within 30 days before the 18th policy anniversary Table 2.

c) **How the Currency Change Option works:**

1 **The policy's Total Cash Value remains unchanged** (subject to rounding). **We simply convert the Total Cash Value to CAD using the prevailing exchange rate as at the 18th policy anniversary.**

| | | |
|---|---|---|
| | USD 704,006 | 1a |
| x | 1.2 | 1b |
| = | CAD 844,807 | 1c |

2 **We determine the notional amount, guaranteed cash value, non-guaranteed cash value of the Reversionary Bonus and non-guaranteed cash value of the Terminal Bonus in CAD using the Total Cash Value of the reference CAD Policy.**

| Notional amount | Guaranteed cash value | Non-guaranteed cash value of the Reversionary Bonus | Non-guaranteed cash value of the Terminal Bonus |
|---|---|---|---|
| CAD 844,807 1c | CAD 844,807 1c | CAD 844,807 1c | CAD 844,807 1c |
| ÷ 615,124 2a | ÷ 615,124 2a | ÷ 615,124 2a | ÷ 615,124 2a |
| x 300,000 1d | x 212,700 2c | x 80,696 2e | x 321,728 2g |
| = CAD 412,018 2b | = CAD 292,121 2d | = CAD 110,827 2f | = CAD 441,859 2h |

3 **We convert the total premiums paid by Chris to CAD using the prevailing exchange rate as at the 18th policy anniversary.**

Total premiums paid

| | | |
|---|---|---|
| | USD 300,000 | 3a |
| x | 1.2 | 1b |
| = | CAD 360,000 | 3b |

d) **After** Chris exercised the **Currency Change Option**, his policy value will be determined in the same way as the reference CAD policy.

## Important Information

When you use the Currency Change Option, the plan's **Total Cash Value remains unchanged** (subject to rounding), but the **mix** of the **guaranteed cash value**, the **non-guaranteed cash value of the Reversionary Bonus** and **Terminal Bonus** will be **affected**, and the **face values of the Reversionary Bonus** and **Terminal Bonus** may be **higher or lower**. The **mix** will also be **affected** if you have **withdrawn any cash value** of the **Reversionary Bonus**, **exercised the Terminal Bonus Lock-in Option** or **Terminal Bonus Unlock Option**.

In the above example, when Chris changes his policy currency **from USD to CAD**, the guaranteed cash value of his plan **reduces** from USD 302,778, which is about 43% of the Total Cash Value, to CAD 292,121 (equivalent to USD 243,434 – at the prevailing exchange rate), which is approximately 35% of the Total Cash Value.

In contrast, if another policyholder of **Prudential Entrust Multi-Currency Plan** would like to change the currency **from CAD to USD**, the proportion of the guaranteed cash value will **increase** from 35% to 43% of the Total Cash Value.

## Remarks

- The figures are for illustrative purpose only. The examples are not an indicator of future performance and actual returns may be higher or lower subject to investment performance. You should refer to the latest insurance proposal for your individual scenario.
- We have calculated them with reference to the notional amount – an amount we use to calculate the plan's premiums, guaranteed cash value, non-guaranteed cash value of the Reversionary Bonus, non-guaranteed cash value of the Terminal Bonus and other policy values.
- The non-guaranteed bonuses are estimated based on our current bonus scale in light of the current assumed investment return and are calculated based on cash value. This is not an indicator of the future non-guaranteed benefit. The above calculations assume all premiums have been paid, no policy loan is made, and all the other options not stated in the above cases are not exercised while the policy is in effect. All figures are rounded to the nearest whole number of dollars and will vary depending upon selected payment terms.
- After exercising the Currency Change Option, the notional amount under the new policy currency will be adjusted and your policy will still be exposed to currency risk. You should ensure that your choice of policy currency matches your needs and always refer to the latest future value illustration of your policy for details.
- We invest in various types of assets to back your policy returns, including equity-type securities and fixed-income securities. For this plan, we will allocate a considerable portion of our investments to equity-type securities. Returns from equity-type securities are generally more volatile than fixed-income securities. You should note the investment mix of this plan stated in the product brochure.
- For further details of the product, please refer to the product brochure, policy document and insurance proposal of **Prudential Entrust Multi-Currency Plan**.

Successfully enrol in this plan now
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Double premium offer

Product information

## Need more details? Get in touch

Please contact your consultant or call our Customer Service Hotline at Hong Kong (852) 2281 1333 or Macau (853) 8293 0833 for more details.

## Notes

The above information is for reference only and not to be used as a basis of decision making. Your decision should be based on your actual situation or needs.

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