

# Prudential Guaranteed Income Plan

## Target Market Information

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

### What is the Guaranteed Income Plan?

The Prudential Guaranteed Income Plan is aimed at Trustees of a registered pension scheme, on behalf of scheme members who are predominantly phasing into, or in the early years of retirement. The plan can also be used by younger scheme members looking to secure a guaranteed rate of return on their pension savings.

The plan offers a choice of three options – a guaranteed income for a fixed term, a guaranteed lump sum at the end of the term, or a combination of both. Our Guaranteed Income Plan is backed by an investment strategy within our With-Profits Fund focused on fixed income assets.

The plan can complement other retirement solutions as part of a structured approach, and balances the need for certainty of income or returns over a fixed term, and financial freedom.



**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).

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

Key:

Yes 

No 

In some circumstances 

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





How much capital loss can they take?	Definition	Comments	Target client
<b>Unlimited</b>	Clients can afford to lose all capital.	You can offer this product to a client who is able to lose all capital.	
<b>Limited</b>	Clients are looking to keep their capital or can afford to lose a certain amount, set by the product.	You can offer this product to a client who is able to accept a limited fall in capital.	
<b>None</b>	Clients can't accept any capital loss.	You can offer this product to a client who can't accept any capital loss.	





## What's your client's risk appetite?

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




<b>High</b>	<p><b>Can they invest?</b> </p>	<p>This product offers clients a guaranteed income and/or lump sum at the end of a fixed term. The total guaranteed return will exceed the investment amount. In order to provide the guaranteed elements the plan is invested in a range of relatively cautious assets. This product may not be suitable for clients looking to invest in assets with higher risk ratings.</p>
<b>Medium – High</b>		
<b>Medium</b>	<p><b>Can they invest?</b> </p>	<p>This product offers clients a guaranteed income and/or lump sum at the end of a fixed term. The total guaranteed return will exceed the investment amount.</p>
<b>Low – Medium</b>		
<b>Low</b>	<p><b>Can they invest?</b> </p>	<p>This product offers clients a guaranteed income and/or lump sum at the end of a fixed term. The total guaranteed return will exceed the investment amount.</p>

## Target Market – Client's needs and objectives





Client need / Objective		Target client
<b>Preservation of capital</b>	The Guaranteed Income Plan offers clients the option of a guaranteed lump sum at the end of a fixed term, to preserve and grow their capital at a guaranteed rate.	
<b>Growth</b>	The Guaranteed Income Plan offers the opportunity of capital growth at a guaranteed rate with the potential to pay a little more than the guaranteed lump sum amount.	
<b>Income for a fixed term</b>	Clients can choose from the option of a guaranteed income, a guaranteed lump sum, or a combination of both. Income can be paid monthly, quarterly, half-yearly or annually in line with their requirements. Income is paid from the Guaranteed Income Plan to the scheme bank account allowing the client to manage their income requirements and tax liability from their plan.	
<b>Time horizon</b>	The Guaranteed Income Plan is suitable for clients looking to invest and/or take a guaranteed income over a period of between 3 and 30 years.	

Client need / Objective		Target client
<b>Tax-efficient investment growth</b>	Client is looking for a guaranteed investment return, with the potential for a little more to be paid in addition to the guaranteed lump sum, in a tax-efficient manner.	
<b>Passing on unused pot on death</b>	Client is looking to pass on unused retirement benefits to their beneficiaries on death.	
<b>Flexible retirement income</b>	The Guaranteed Income Plan can be used as part of a blended strategy with other drawdown assets for clients looking to take flexible withdrawals to cater for their changing needs and circumstances.	
<b>Income for life</b>	Client is looking for a guaranteed income payable for life.	




### How do your clients invest in this product?

<b>Execution only</b>	This product shouldn't be sold on an execution only basis.	
<b>Non-advised</b>	This product shouldn't be sold on a non-advised basis.	
<b>Advised</b>	This product is available on an advised basis.	

### Target market – Client's age

Client age		Target client
<b>Under 40</b>	The Guaranteed Income Plan can be used by customers with established pension savings looking for a guaranteed rate of return. In most circumstances it's unlikely to be suitable for clients under the age of 40.	
<b>40-55</b>	The Guaranteed Income Plan can be used by customers with established pension savings looking for a guaranteed rate of return.	
<b>55-85</b>	This is a primary target market for the Guaranteed Income Plan, and in particular those clients in their late 50s or in their 60s phasing into retirement.	
<b>Over 85</b>	Not the main target market for new business but we will continue to accept investments.	

### Target market – Client's financial situation

Client's financial situation		Target client
<b>Constrained</b> (total retirement savings under £30,000)	Other options may be better suited for the client (e.g. trivial benefit commutation). However, these clients are still eligible and there may be circumstances where the Guaranteed Income Plan would be appropriate.	
<b>Limited</b> (total retirement savings of between £30,000 and £50,000)	The client has limited retirement funds as they approach retirement which they wish to use to generate a guaranteed income and/or lump sum at the end of a fixed term.	
<b>Good</b> (retirement savings of at least £50,000)	The client has a good level of overall retirement savings which they wish to use to generate a guaranteed income and/or lump sum at the end of a fixed term.	



## How do you assess price and value for the product?

Our approach to assessing fair value considers the product or service as a packaged product. It makes allowance for the individual components which we manufacture that make up the packaged product. It makes no allowance for any adviser charges that we may facilitate. Please see our Consumer Duty webpages [mandg.com/pru/consumer-duty](https://www.mandg.com/pru/consumer-duty) which provide details on how we undertake value assessment.



## What target market assessment do you undertake as part of your consumer duty and product management processes?

As part of our ongoing product management process, we consider the foreseeable harms and poor client outcomes that could result from the product's design, management or administration. This includes an assessment of the clients and client groups within the target market as well as an assessment that considers clients with characteristics of vulnerabilities and those with protected characteristics.

Any foreseeable harms, product features, benefits or charges that may impact client outcomes, as a whole or specific client groups, are considered using a risk-based approach in accordance with the FCA's guidance on reasonableness in relation to both client expectations and firm behaviours.



## Vulnerable clients

We appreciate clients could find themselves in vulnerable circumstances at any time whilst invested in this product. We will aim to ensure that vulnerable clients invested in this product continue to be treated fairly and receive the same outcomes as other clients.



For more information, please contact your Prudential Account Manager.