

Prudential ISA Value Assessment July 2024

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.

Where another manufacturer's component is used, we'll rely on their value assessment.

For example, for Open-Ended Investment Companies (OEICs), we will rely on the fund manufacturer's assessment of value. In addition we do not make an allowance for any adviser charges that we may facilitate.

Wrapper and Investments Assessment

We consider the value that our propositions offer from both a charges and investment perspective. This allows us to understand both the value offered by the component parts of our proposition as well as the potential outcomes for customers. We also consider the service and benefits that the products provide from an operational and customer outcomes perspective, to ensure that they provide value for money and meet the customer's reasonable expectations.

As a result of the most recent assessment, Prudential and Waystone Financial Investments Limited (WFI) have concluded that the Prudential ISA meets our collective value assessment requirements and there were no limitations in the product that could reduce its value or benefit to the customers within the target market.

No allowance is made for adviser charges that WFI may facilitate. We also rely on the assessment of value by Waystone Management (UK) Limited (WMUK) of the WS Prudential OEICs as manufacturer of these funds within the Prudential ISA.

Proposition Benchmarking

We consider, as part of our regular product lifecycle management process, the position of each proposition in the marketplace. This considers the design and charging structure of the proposition, as well as features and benefits against its peer group from a comparability and competitiveness perspective.

Products and their benefits

Summary information of the Prudential ISA is provided below. For more detail on the benefits and features, please see the relevant product documentation, such as Target Market and Key Features documents.

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

Prudential ISA

The Prudential ISA is a stocks and shares individual savings account that provides access to a range of underlying investment products, which aim to grow the value of the customer's investments over the medium to long term (5-10 years), as follows:

- a range of PruFund funds made available via life insurance policies provided by the Prudential Assurance Company Limited ("PACL"); and

- the WS Prudential Investment Funds (1), i.e., the WS Prudential Risk Managed “PruFolio” range, is an open-ended investment company (“OEIC”) operated by Waystone Management (UK) Limited (“WMUK”).

The product allows the customer to access their money when they need it by taking one-off and/or regular withdrawals.

Responsibility

The Prudential ISA is provided through an ISA Management Agreement between Waystone Financial Investments Limited (WFI) and Prudential Distribution Limited (PDL).

- **WFI** is the provider of the Prudential ISA and are responsible for all legal and regulatory responsibilities in relation to the provision and administration of the Prudential ISA. If a customer takes out a Prudential ISA, they will have a contract with WFI, and all servicing and documentation will be provided by them.
- **PDL** have responsibilities in relation to the design and distribution of the product, such as defining the overall Prudential ISA proposition to be provided by WFI, including; the investment solutions available, the target market and distribution strategy.

In this regard, WFI is regarded as manufacturer and PDL co-manufacturer of the Prudential ISA, and both WFI and PDL are distributors of the underlying investment products.

As co-manufacturer of the Prudential ISA product, and manufacturer of the PruFund range of funds, and as such under the Consumer Duty, PDL is also obliged to assess its value. WFI and PDL have agreed to jointly provide relevant value assessment information in relation to the Prudential ISA product and the underlying investment products available on both of our websites.

You can view WFI information on Consumer Duty in relation to the Prudential ISA on their webpage fundsolutions.net/investor-information/waystone-financial-investments-limited-wfi-policies-and-information

Investment Components

The investment options available through the Prudential ISA are subject to their own value assessment. This is undertaken by the investment manufacturer. The following information outlines the checks undertaken by the investment manufacturer.

PruFund

PruFund is subject to significant levels of oversight. This covers investments performance and management as well as the operation of the fund itself.

As part of our value assessment, we consider the basis for setting Expected Growth Rates, investments decision in relation to smoothing of investment returns, the charges and associated benefits relating to smoothing, the management of the With-Profits Estate and the expenses allocated to the With-Profits Fund. The impact on the inherited estate and the charges and expenses allocated to the fund are also considered.

Further details of how the fund is operated can be found in our **Principles and Practices of Financial Management** (PPFM) and the **With-Profits Actuary’s Annual Report** to policyholders. All our PPFM reports can be found on mandg.com/pru/adviser/insights-events/news/ppfm

As a result of the most recent assessment, we concluded that all funds meet our value assessment requirements.

WS Prudential Investment Fund (1)

The WS Prudential Investment Funds (1) are provided through a sponsorship and co-manufacturing agreement between WMUK and PDL.

As agreed by the two parties, WMUK, as Authorised Corporate Director of the WS Prudential Investment Funds (1) fund range, are responsible for the regulatory documentation and disclosures in relation to the provision and management of the range. As such they carry out and produce a Value Assessment report on the range each year.

Please refer to the **Value Assessment report** for the WS Prudential Investment Funds (1) fund range.

Product Charges & Costs

This section details where information can be found in relation to the product charges.

- For generic information on product charges and costs please refer to the **Prudential ISA fast facts document**
- Key information in relation to the cost and charges relevant to your client's investments can be found by accessing the following which provide information to help understand the nature, risks, costs, potential gains, and losses of the product and to help compare it with other products;
 - **For PruFund Funds**
Key Information Documents (KID) and Investment Option Documents (IOD) are available by accessing **Key Information Documents**.
 - **For WS Prudential Investment Funds (1)**
Key Investor Information Documents (KIID) are available in the **Prudential ISA product page on PruAdviser**.
- Client specific illustrations are not available for the Prudential ISA, however, example illustrations based on a range of investment amounts are provided in the **Example illustrations for Investment Prudential ISA and WS Prudential OEIC Funds**.

All this information and more can be found here mandg.com/pru/adviser/en-gb/products/investments/prudential-isa

Service

Delivering customer value and improving customer experience is at the heart of everything we do. Further information can be found here mandg.com/pru/adviser/en-gb/insights-events/news/customer-duty/service

Customer Support & Understanding

In addition to the value assessment work and as part of the customer support and understanding outcome focus, WFI undertook a comprehensive review of their operational processes, the digital service and client-facing literature in advance of Consumer Duty implementation in July 2023, with changes made by that date as a result of those reviews.

Additionally, and working with WFI, the M&G Customer Insights (CI) team worked with external agencies to carry out customer research on Prudential ISA literature and the digital journeys against the Consumer Duty requirements. As a result of the customer research, certain enhancements were identified which were prioritised and implemented in December 2023. The customer support and understanding arrangements are therefore believed to be effective. We keep these under review and will enhance or amend as may be necessary to cater for changing circumstances or in light of further customer experience and feedback.

This document is intended to be used by financial advisers only and not to be relied upon by clients.