Pru
part of M&G plc

Fund Guide

Flexible Retirement Plan

(Personal Pension and Income Drawdown with SIPP Options) and

Flexible Investment Plan

Introduction to this guide

We know that choosing which fund may be best for you isn't easy – there are many options and everyone's different so there's no 'one way' to invest. So we offer a range of options to help you meet your investment goals.

We've produced this guide to help you and your financial adviser understand more about our funds. This includes the risk and potential reward of each fund and their investment aims. If there's information or terminology included that you'd like to discuss, then please contact your financial adviser.

The funds in this guide are available to investors in the following products:

- Flexible Retirement Plan
- Flexible Investment Plan

Some important notes we'd like you to read:

- The value of your investment can go down as well as up so you might get back less than you put in.
- We'd like everyone to find it easy to deal with us. Please let us know if you need information about our plans and services in a different format.
- All our literature is available in audio, large print or braille versions. If you would like one of these please contact us on 0800 000 000 and we'll send these out to you.
- The types of assets a fund invests in will have a significant effect on its performance. Generally, the higher the potential returns, the higher the risk.
- A fund's name isn't indicative of the risk it may take.
- The information in this guide is correct as at 20 January 2025, unless another date is shown.
- This guide doesn't take account of current market conditions or other short-term fund specific changes. Up to date information on each fund can be found at **pru.co.uk/funds**
- All views are Prudential's.

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Before making any decisions you should speak to your financial adviser. They can discuss and help you understand your fund selection.

Risk and potential reward

Asset class risk types

Learn more about asset classes and their risk

You should read this section to find out more about the different types of assets, or types of things funds invest in, and the risks that they have.

We've included this as later in the guide we'll show which asset types and associated risks are applicable to different funds we offer.

Funds can invest in different types of assets. And each carries a level of risk.

There are many types of risks but generally, the higher the potential returns, the higher the risk.

Some funds can invest in more than one asset type to try to reduce the risk of losing money. This is so they're not relying on the performance of an individual asset or assets of the same type. We call this diversification.

See pages 13 to 16 for how the following asset class risk types relate to individual funds.

Equity

Equities are commonly known as 'shares'. When a fund buys an equity, it's investing in a company and, in exchange, receives a share of the ownership of that company. Equities give two potential investment benefits:

- equity prices normally increase if the value of the company increases, although the value of equities can go down and up a lot.
- companies may pay dividends – regular payments to shareholders based on how well the company is doing.

Over the longer-term (up to 15 years), equities can offer greater growth potential than many other asset types.

However, funds investing in equities tend to carry a higher risk of capital loss than funds investing in fixed interest securities or money market investments (we'll talk about these later in this section).

The financial results of other companies and general stock market and economic conditions can all affect a company's share price, and as a result, the value of any fund investing in that company.

Where a fund invests in equities, we've rated the fund as having a risk type of "Equity".

Fixed Interest and Index-Linked Securities

Fixed interest securities, or "bonds", are loans issued by companies or by governments in order to raise money. Bonds issued by companies are called Corporate Bonds, those issued by the UK government are often called Gilts or UK Government bonds and those issued by the US government are called Treasury Bonds. In effect a bond is an 'I owe you' that promises to pay a sum on a specified date and pay a fixed rate of interest along the way.

Index-linked securities are similar but the payments out are normally increased by a prices index. For example for UK government index-linked securities, payments out go up in line with the UK Retail Prices Index.

On the whole, investing in government or corporate bonds is lower-risk than investing in equities. The British Government has never failed to pay back money owed to investors. (Source: Debt Management Office, December 2024).

However, it's possible for a government bond to default. And with corporate bonds there's a risk that the company may not be able to repay its loan or that it may default on its interest payments.

You can reduce the risks related to investing in bonds if you invest through a bond fund. When a fund manager selects a range of bonds, you're less reliant on the performance of any one company or government. If the fund reinvests the bond income it generates, it can provide attractive levels of growth. But, there's a risk you might not get back the amount you invest and the income you receive is neither fixed or guaranteed.

Corporate and government bonds are sensitive to interest rate trends. An increase in interest rates is likely to reduce their value, and the value of any fund investing in them.

Where a fund could be exposed to these types of risk, we've rated the fund as having a risk type of "Fixed Interest".

Commercial Property

Commercial property investment generally means the fund is sharing in the returns from the ownership of some buildings (for example, offices and shopping centres).

Investment in property can be done either directly (e.g. owning physical property) or indirectly (e.g. owning shares in a property company as part of a diversified range of assets).

The return from investing in property is a combination of rental income and changes in the value of the property; which is generally a matter of a valuer's opinion rather than fact. We think property is lower risk than equities, but higher risk than bonds over the long-term.

But commercial properties can be difficult to buy and sell quickly. Fund managers may have to delay withdrawal of money by customers from a property fund until they can sell some of the buildings the fund invests in. It may take a number of months to sell commercial property.

The actual value of a property is what someone is prepared to pay for it – an actual sale value. As sales are infrequent, interim valuations are based on a valuer's opinion and can change from time to time. This can affect the value of a fund invested in commercial property, with the value possibly fluctuating significantly.

All of this means there are a number of risks for funds investing in property:

- Cash could remain uninvested as property assets can be difficult to buy, leading to lower returns than expected.
- The value of the fund may be reduced if a large number of withdrawals are requested and it's necessary for properties to be sold at reduced prices.
- There may be delays removing your money from the fund if property is proving difficult to sell.
- Property fund valuations may change periodically, upwards or downwards.
- Rental income isn't guaranteed. Defaulted rent and unoccupied properties could reduce returns.
- If the size of the fund falls significantly, the fund may have to hold fewer properties, and this reduced diversification may lead to an increase in risk.
- In some circumstances we may suspend one or more of our Property funds to protect the interests of our investors. If this happens we'll write to investors to let them know.

Where a fund could be exposed to these risks, we've rated the fund as having a risk type of "Property".

Currency Risk and Overseas Investments

Overseas investments allow you to take advantage of the growth potential of markets outside of the UK. But currency changes can affect the value of overseas investments. Because the value of overseas investments is converted from local currency into pounds (Sterling), the Sterling value can fall if the local currency weakens against Sterling, independent of the performance of the asset itself.

Where a proportion of a fund is invested in non-Sterling assets, we've rated the fund as having a risk type of "Currency".

Smaller Companies and Emerging Markets

In comparison to larger companies, shares of smaller companies may be harder to trade and short-term performance may be more volatile. There may also be more chance the companies will become insolvent. Funds which invest in small companies can have volatile returns and a greater risk of capital loss.

Some investments are in markets which are less developed than the UK market. In such markets, the ability to trade, and the safe keeping of assets on behalf of the fund, and especially regulation may all be poorer than in well developed markets. This means increased risk for your investment.

Where a fund could have these types of risk, we've rated it as having a risk type of "Smaller Companies and Emerging Markets".

Financial Instruments

Fund managers can use several financial arrangements with the aim of improving fund performance. Some of the most common are:

Derivatives: These cover products such as futures and options which are generally an arrangement to buy or sell a standard quantity of a specified asset on a fixed future date at a price agreed today. This type of investment may carry a higher risk of capital loss than funds investing in other assets.

Derivatives usually rely on a counterparty – the person or company with which the fund manager has made the agreement about future deals. If the counterparty gets into financial difficulty, it may be difficult to obtain a price for valuations or for the investment manager to dispose of the asset – that creates risk to the value of the fund. There's a risk of capital loss in the event of the counterparty to the derivative becoming insolvent or suffering other financial difficulties. In such circumstances the derivative may have no value.

Geared Assets: Funds that are geared or borrow assets or which use short-selling (where a stock is borrowed then sold and bought back before being returned to where they were borrowed from) are likely to be more volatile than other funds and there's a higher risk of capital loss.

Where a fund could be exposed to these types of risk, we've rated it as having a risk type of "Financial Instruments".

Alternative Investments

These include non-traditional, complex or specialist investments, such as hedge funds, private equity and complex derivative based strategies. Alternative investments can be more difficult to value and can take longer to buy or sell.

Where a fund could be exposed to these types of risk, we've rated it as having a risk type of "Alternative Investments".

Other

We've rated a number of funds as having a risk type of "Other".

In addition to the risks and characteristics of the individual asset types, specialist investments have other features that are unique to where they invest.

Specialist funds

Specialist funds invest in particular markets or geographical areas. Specialist funds might be used for example, to take advantage of a particular scenario or make the most of an area of the manager's expertise. The funds are often characterised by periods of strong or weak performance and because they invest in a smaller range of asset types, they tend to be more risky than non-specialist funds, but can deliver greater returns.

Environmental, Social and Governance (ESG)

ESG funds fall under the category of 'responsible investing.' ESG funds are for investors who want to know that their money is helping benefit the environment and society, whilst supporting their financial goals and potential competitive returns.

For more information on investing for the good of the planet, please go to: **pru.co.uk/investments/investing-for-good**

Small number of holdings

The fund may have investment concentrated in relatively few individual assets. This is normally a deliberate position and may be, for example, to benefit from a particular area of focus or expertise. Returns from the fund can be significantly influenced by the performance of a small number of individual holdings and so the fund may be more volatile than funds with a wider spread of underlying assets.

Low risk assets

Some funds keep a proportion of your money in cash deposits and other money market investments. Over the long-term, money market investments may offer the lowest risk of all asset types but also the lowest potential returns. Some funds hold money market investments because they're aiming for security more than substantial growth. Others hold just enough in cash deposits to make sure money is available for customer withdrawals.

Over the long term, money market investments can be a low risk asset type but may also produce low returns compared to other asset types.

A money market investment is at risk if any of the banks, building societies or other financial institutions with whom the fund's money is deposited becomes insolvent or suffers other financial difficulties. If this happens, the money deposited with that institution may not be returned in full. Some money market investments will be affected if interest rates rise, leading to a drop in value of any fund holding them.

Protected/guaranteed funds

Where available, some funds may offer some form of protection from downside risks (i.e. the potential for falls in value) for which there will be a charge and which will normally have an impact on long-term returns. The protection may be provided through the use of derivative contracts and this may give rise to counterparty risk (see earlier 'Derivatives' explanation) and liquidity problems. Please note, PruFund Protected Funds are currently unavailable to new investments.

The provision of the guarantees may result in a significant proportion of the fund being invested in cash and other lower risk investments.

Where a fund could be exposed to these types of risk, we've rated it as having a risk type of "Other".

Further information

If you're looking for more information on these risks then please speak to your financial adviser.

Risk and potential reward

Risk and Potential Reward Indicator

Learn how we rate the risk of the funds

We've included this so you can understand what the different numbers next to each fund, in the next few pages, mean.

Investing is about balancing the risk you're comfortable with alongside the potential rewards that you want to achieve and your capacity for loss. Your attitude to investment risk is personal to you and may change in the future.

The table on the next page can help illustrate this concept. It's not exhaustive, but covers a wide range of funds and investments and shows the general principle that, as the level for potential higher returns goes up, so does the level of risk. On pages 13 to 16 you can see how these risk and potential reward indicator numbers relate to our funds.

Some key things to think about:

- The value of your investment can go down as well as up so you might get back less than you put in.
- The types of assets a fund invests in will have a significant effect on its performance. Generally, the higher the potential returns, the higher the risk.
- A fund's name isn't indicative of the risk it may take.
- We've developed these risk rating categories to help provide an indication of the level of risk and potential reward that's attributable to a fund based on the type of assets which may be held within the fund.
- These risk rating categories shouldn't be considered generic to the fund management industry as other companies use different descriptions.
- We regularly review these risk rating categories and so they might change in the future.
- We may amend a risk rating as a result of a material change in our view of the level of risk for the fund. For example due to a significant change to the assets held by the fund or in the way the fund is managed. If we do this, we'll provide information on the new risk rating.
- We strongly recommend that before making any fund choice you ensure you understand the appropriate risk ratings. You'll find helpful information in this fund guide, along with further information, at **pru.co.uk/funds**

For details of material fund changes please visit **pru.co.uk/fundchanges**

Information is normally shown for one year.

You should also consider discussing your decision with your financial adviser. It's important to also note that your adviser may make their own assessment of the risk rating of funds when considering your needs and objectives, and this may differ from our own internal assessment.

The information included in this guide is correct as at 20 January 2025, unless another date is shown.

Risk and Potential Reward Indicator

Types of Fund*

Potential Rewards		Types of Fund*	Risks
Higher	6	Single Country Equity Funds, International Equity Funds	Higher
	5	Flexible Investment Funds, Global Property Funds	
	4	Mixed Investment 40-85% Shares Funds, Direct Property Funds, Global High Yield Funds	
	3	Mixed Investment 20-60% Shares Funds, Distribution Managed Funds, Sterling High Yield Funds, Global Fixed Interest Funds, With-Profits Funds**	
	2	Mixed Investment 0-35% Shares Funds, Sterling Fixed Interest Funds, Corporate Bond Funds, Protected/Guaranteed Funds	
Lower	1	Deposit & Treasury Funds, Money Market Funds	Lower

* *Types of Fund*
These are mostly based on sector classifications by the Association of British Insurers (ABI). The description used may match an individual ABI sector name or be a Prudential suggested description for a grouping of similar sectors. The only exception to this is "With-Profits" which isn't classified by the ABI. Where a fund is classified by the ABI then we'll use the sector it's in as a starting point to think about its appropriate position in the scale above. But please note that each fund is considered individually and membership of an ABI sector doesn't automatically imply a particular risk and potential reward indicator number.

** *With-Profits funds*
PruFund funds invest in our With-Profits Fund and some appear in a lower or higher risk and potential reward indicator category. This is because of the different asset mix that applies to each PruFund fund. Please refer to the specific PruFund risk and potential reward indicator on pages 13 to 14.

Further information

If you're looking for more information, including the latest version of this fund guide and details of changes to our funds, then please visit **pru.co.uk/funds/guides**

You'll also find an explanation of each of the ABI sector classifications on **pru.co.uk/abi**

Fund information

Explanations we think you should read

Learn about what can impact your fund value and about charges and costs

This section can help you understand a bit more about the factors that can impact funds and what we mean by fund charges and further costs.

Unit Pricing Basis for Unit-Linked Funds

When we determine the basis to be used for calculating the unit price, it's important to think about how much money is either going into or is being taken out of either Prudential's fund or the underlying investment. The unit price is then used to determine the value of individual policyholders' investments in the fund.

If more money is being paid into the fund than is being taken out, then the fund will need to purchase assets. If this is the case then the amount that's needed to buy assets for the fund (i.e. the purchase price) will be more relevant than the amount obtained for selling the assets (i.e. the sale price) in determining the unit price of the fund.

If more money is being taken out of the fund than is being paid in then the fund will need to sell assets. If this is the case, the sale price of the underlying assets will be more relevant when calculating the unit price.

Sales prices are generally lower than purchase prices. The size of the difference depends on the cost of either purchasing or selling the assets the fund invests in. These costs tend to be largest for funds investing in property, smaller companies and emerging markets so will have the largest impact on the change in price.

If there's a switch from a purchase price to a sales price then the unit price could go down. If there's a switch from a sales price to a purchase price then the unit price could go up. In both cases the movement in price can be frequent, significant and will happen straight away.

You can find details of how we manage our Unit-Linked funds at **pru.co.uk/ppfm/ul**

You'll also find there a shortened customer friendly version, our "Customer Guide", which explains briefly:

- how the Prudential unit-linked funds work
- our current approach to managing them
- the standards and practices we use to manage the funds.

Principally, this Customer Guide will explain:

- the nature and extent of the decisions we take to manage the funds, and how we treat customers and shareholders fairly.

The Fund Value

The value of your investment can go down as well as up so you might get back less than you put in.

For investments in the With-Profits funds, the value of the plan depends on how much profit the funds make and how we decide to distribute it. If you're unsure how the With-Profits Fund works, please speak to a financial adviser.

For the PruFund range of funds, what you receive will depend upon:

- the value of the underlying investments
- the Expected Growth Rates set by the Prudential Directors having regard to the investment returns expected to be earned on the assets of the funds over the long-term (up to 15 years)
- our charges and for FRP, any fund size or loyalty discounts that might apply
- the smoothing process
- whether you have chosen a Protected fund. Please note, PruFund Protected Funds are currently unavailable to new investments, and
- when you take your money out.

How Unit-Linked Funds Invest

Some of the Prudential funds listed in this guide may invest in 'underlying' funds or other investment vehicles. Have a look at a fund's objective and that will tell you where it invests – including if that's in an underlying fund or funds.

If the Prudential fund is investing in just one underlying fund then it's what's known as a 'mirror' fund, as the performance of the Prudential fund broadly aims to reflect the performance of the underlying fund it invests in. The performance of our Prudential fund, compared to what it's invested in won't be exactly the same. The differences between the underlying fund and our fund can be due to:

- additional charges,
- cash management (needed to help people to enter and leave our fund when they want),
- tax,
- timing of investments (this is known as a fund's dealing cycle, it varies between managers and can be several days).

The established smoothing process offered by our PruFund funds means that we may apply restrictions to certain switches and withdrawals from these Funds. To find out more, please refer to your product Key Features Document, and the associated document "Your With-Profits Plan – a guide to how we manage the PruFund range of Funds" – WPGB0031.

Fund Charges and Further Costs

We take fund charges for looking after your investment, from each of the funds you invest in. For FRP, charges are affected by any fund size or loyalty discounts that might apply. If the fund charges exceed the return earned, the fund will go down in value. We might change our charges in future.

In addition to our charges, there may be further costs incurred. Where these are applicable, they're paid for by the fund and will impact on the overall performance.

For information on current fund charges and further costs please refer to your Key Features Document, or the following documents which can be found on **pru.co.uk**, or are available from your financial adviser.

- Flexible Retirement Plan Short Fund Guide (PENB10299)
- Flexible Investment Plan Short Fund Guide (INVB11005)

The PruFund Protected Cautious and PruFund Protected Growth funds, differ from the PruFund Cautious and PruFund Growth funds as they provide a guarantee, where available. The Protected PruFund funds are currently unavailable to new investments. If you had selected a Protected PruFund Fund, you would have selected from a range (where available) of guarantee terms, where the guarantee will only apply at the end of the selected guarantee term. Each guarantee term, where available, has its own additional charge and this will be payable for the whole of this term.

For the Flexible Retirement Plan, the actual cost to you will depend on a number of things. You may benefit from discounts on the annual management charge. We may give you a Fund Size Discount depending on the size of your fund and a Loyalty Discount depending on when the plan started. Any final bonus or Market Value Reduction (MVR) applicable to investments in our With-Profits Fund will be excluded from this calculation of the fund value. Please see your
Key Features Document for more information.

Further Information

If the taxation treatment of the funds changes, we reserve the right to change the arrangements for the investment of the underlying assets of the fund.

If you have any questions about your product, your fund choice or the fund charges and further costs applicable then we recommend you speak to your financial adviser.

For any fund, there may be a delay in buying, selling or switching of units. These delays will only apply in exceptional circumstances. We wouldn't expect delays to be longer than six months for units that invest in property or land and one month for units that invest in other funds. However we can't guarantee that we'll never delay longer than these timescales. If these delays apply to you, we'll let you know.

Compensation

The products Prudential Assurance Company Limited (PACL) offer are covered by the Financial Services Compensation Scheme (FSCS). If we get into financial difficulties, you may be able to make a claim. The FSCS is an independent body set up by Government to provide compensation for people where their authorised financial services provider gets into financial difficulties and becomes unable, or unlikely to be able, to pay claims against it. This circumstance is referred to as being 'in default'.

Losses, which may result from poor investment performance, are not covered by the FSCS.

Where does FSCS protection apply?

Flexible Investment Plan

There is full FSCS coverage if PACL is 'in default'.

- Your bond is protected up to 100% of the value of your claim.
- Any funds you choose to hold in your bond will be included in the value of your claim in the event that PACL is declared 'in default'.
- If you hold the Prudential With-Profits funds or PruFund funds in your bond, they are protected 100% in the event of the default of PACL.

All the other funds we offer, apart from those mentioned above, are unit-linked, and invest in other funds managed by non-PACL fund managers. FSCS cover does not apply if the non-PACL fund manager were to be 'in default'.

- There is no FSCS cover for unit-linked funds investing with non-PACL fund managers if that manager were to be 'in default'.
- See 'How Unit-Linked Funds Invest' for further information on these types of fund (often called 'mirror' funds).

You can find out more information on the FSCS at **pru.co.uk/fscs**, or you can call us.

Flexible Retirement Plan

There is full FSCS coverage if PACL is 'in default'.

- Your product is protected up to 100% of the value of your claim.
- Any investments you choose to hold in your product will be included in the value of your claim in the event that PACL is declared 'in default'.
- If you hold the Prudential With-Profits Fund or PruFund funds in your product, they are all protected 100% in the event of the default of PACL.

Other investment options are not protected by the FSCS.

- All the other Prudential funds we offer (you'll know these if the name starts 'Prudential'), apart from those mentioned above, are unit-linked and invest with non-PACL fund managers, so FSCS cover does not apply if that fund manager were to be 'in default'.
- Any investment in the Self-Invested Fund including the holding account, (see your Key Features Document for more information) is also not protected.

You can find out more information on the FSCS in your Technical Guide, at **pru.co.uk/fscs**, or you can call us.

Information is also available from the Financial Services Compensation Scheme.

Visit their website: **fscs.org.uk**

Or write to: The Financial Services Compensation Scheme, PO Box 300, Mitcheldean GL17 1DY

Or call the FSCS: Telephone: **0800 678 1100**

Where FSCS coverage does not apply, then other factors can come in

As explained in the 'Where does FSCS protection apply?' section, the FSCS doesn't cover every situation. For example unit-linked funds that invest in the funds of non-PACL fund managers (often called 'mirror' funds).

But, where FSCS protection does not apply, there are other factors that could help if the worst happened and a provider was 'in default'. For example, the use of custodians or depositories to provide protection for fund assets, where there is separate legal ownership of assets and legal entities that aren't liable for any losses of a fund manager. In so doing, the intention is that the underlying fund will not be liable for any losses the underlying fund management company incurs.

PACL would aim to recover any money invested in an underlying fund where the fund manager has been declared 'in default', but PACL would not be liable for any loss incurred from the default of the non-PACL fund manager.

Further information

For more information on the above, please refer to your Policy Provisions or Technical Guide or speak to your financial adviser.

Fund information

Funds, ABI sectors, asset class risk types and risk and potential reward indicators

Learn about the funds available to you

We've included this information to help you quickly see the range of funds we offer and the risks they have.

Funds	Availability		Association of British Insurers (ABI) Sector	Asset Class Risk Types								Risk and Potential Reward Indicator
	FRP	FIP		Equity	Fixed Interest	Property	Currency	Smaller Companies and Emerging Markets	Financial Instruments	Alternative Investments	Other	
Prudential PruFund Risk Managed Funds (see pages 17 to 18 for more information)												
Prudential PruFund Risk Managed 1#	✓	✓	Unclassified	✓	✓	✓	✓	✓	✓	✓	✓	2
Prudential PruFund Risk Managed 2#	✓	✓	Unclassified	✓	✓	✓	✓	✓	✓	✓	✓	3
Prudential PruFund Risk Managed 3#	✓	✓	Unclassified	✓	✓	✓	✓	✓	✓	✓	✓	3
Prudential PruFund Risk Managed 4#	✓	✓	Unclassified	✓	✓	✓	✓	✓	✓	✓	✓	4
Prudential Risk Managed Passive Funds (see page 18 for more information)												
Prudential Risk Managed Passive 1	✓	✓	Mixed Investment 0-35% Shares	✓	✓	✓	✓	✓	✓	✓	✓	2
Prudential Risk Managed Passive 3	✓	✓	Mixed Investment 20-60% Shares	✓	✓	✓	✓	✓	✓	✓	✓	3
Prudential Risk Managed Active Funds (see pages 18 to 19 for more information)												
Prudential Risk Managed Active 1	✓	✓	Mixed Investment 0-35% Shares	✓	✓	✓	✓	✓	✓	✓	✓	2
Prudential Risk Managed Active 2	✓	✓	Mixed Investment 20-60% Shares	✓	✓	✓	✓	✓	✓	✓	✓	3
Prudential Risk Managed Active 3	✓	✓	Mixed Investment 20-60% Shares	✓	✓	✓	✓	✓	✓	✓	✓	3
Prudential Risk Managed Active 4	✓	✓	Mixed Investment 40-85% Shares	✓	✓	✓	✓	✓	✓	✓	✓	4
Prudential Risk Managed Active 5	✓	✓	Flexible Investment	✓	✓	✓	✓	✓	✓	✓	✓	5
Other Prudential Multi Asset Funds (see pages 19 to 20 for more information)												
Prudential PruFund Cautious#	✓	✓	Unclassified	✓	✓	✓	✓	✓	✓	✓	✓	2
Prudential PruFund Growth#	✓	✓	Unclassified	✓	✓	✓	✓	✓	✓	✓	✓	3

PruFund funds are only available to FIP plans taken out after April 2005.

Funds	Availability		Association of British Insurers (ABI) Sector	Asset Class Risk Types								Risk and Potential Reward Indicator
	FRP	FIP		Equity	Fixed Interest	Property	Currency	Smaller Companies and Emerging Markets	Financial Instruments	Alternative Investments	Other	
Other Prudential Multi Asset Funds (see pages 19 to 20 for more information)												
Prudential PruFund Protected Cautious+#^	✓	✓	Unclassified	✓	✓	✓	✓	✓	✓	✓	✓	2
Prudential PruFund Protected Growth+#^	✓	✓	Unclassified	✓	✓	✓	✓	✓	✓	✓	✓	3
Prudential With-Profits (Optimum Bonus)		✓	Unclassified	✓	✓	✓	✓	✓	✓	✓	✓	3
Prudential With-Profits (Optimum Return)		✓	Unclassified	✓	✓	✓	✓	✓	✓	✓	✓	3
Prudential With-Profits	✓		Unclassified	✓	✓	✓	✓	✓	✓	✓	✓	3
Additional Fund Choices (see pages 20 to 29 for more information)												
Prudential Aegon Ethical Equity	✓		UK All Companies	✓					✓		✓	6
Prudential Artemis Income	✓		UK Equity Income	✓	✓		✓		✓		✓	6
Prudential Artemis SmartGARP European Equity	✓	✓	Europe excluding UK Equities	✓			✓		✓	✓	✓	6
Prudential Artemis Strategic Bond	✓	✓	Sterling Strategic Bond		✓		✓		✓		✓	3
Prudential Artemis UK Smaller Companies	✓	✓	UK Smaller Companies	✓				✓	✓		✓	6
Prudential Asia Pacific	✓	✓	Asia Pacific ex Japan Equities	✓			✓	✓				6
Prudential Baillie Gifford American		✓	North America Equities	✓			✓				✓	6
Prudential BlackRock Gold & General	✓	✓	Commodity/Energy	✓			✓	✓	✓	✓	✓	6
Prudential BlackRock UK	✓	✓	UK All Companies	✓								6
Prudential BlackRock UK Special Situations	✓	✓	UK All Companies	✓				✓				6
Prudential Cash~	✓	✓	Deposit & Treasury		✓						✓	1
Prudential European Equity	✓	✓	Europe ex UK Equities	✓	✓		✓		✓		✓	6
Prudential Fidelity Asia	✓	✓	Asia Pacific ex Japan Equities	✓			✓	✓				6

\+ *These funds are only available at the start of the plan.*

\# *PruFund funds are only available to FIP plans taken out after April 2005.*

^ *This fund is only open to existing investors in the fund.*

~ *Investments in a cash fund could be affected by inflation and/or charges. Inflation could mean your money is less able to buy what it could before and charges will reduce the value of a cash fund over time.*

Funds	Availability		Association of British Insurers (ABI) Sector	Asset Class Risk Types								Risk and Potential Reward Indicator
	FRP	FIP		Equity	Fixed Interest	Property	Currency	Smaller Companies and Emerging Markets	Financial Instruments	Alternative Investments	Other	
Additional Fund Choices (see pages 20 to 29 for more information)												
Prudential Fidelity European	✓	✓	Europe ex UK Equities	✓			✓	✓				6
Prudential Global Emerging Markets Portfolio	✓	✓	Global Emerging Markets Equities	✓			✓	✓	✓		✓	6
Prudential International	✓	✓	Global Equities	✓	✓		✓		✓			6
Prudential Japanese	✓	✓	Japan Equities	✓	✓		✓		✓		✓	6
Prudential JP Morgan Natural Resources	✓	✓	Commodity/Energy	✓			✓	✓	✓		✓	6
Prudential L&G Property	✓	✓	Property Other			✓						4
Prudential M&G Corporate Bond	✓	✓	Sterling Corporate Bond		✓		✓		✓		✓	2
Prudential M&G Dividend	✓	✓	UK Equity Income	✓								6
Prudential M&G Episode Allocation		✓	Mixed Investment 20-60% Shares	✓	✓		✓		✓	✓	✓	3
Prudential M&G Episode Growth		✓	Mixed Investment 40-85% Shares	✓	✓		✓		✓	✓	✓	4
Prudential M&G Gilt & Fixed Interest Income	✓	✓	UK Gilts		✓		✓		✓		✓	4
Prudential M&G Global High Yield Bond	✓	✓	Sterling High Yield		✓		✓		✓		✓	3
Prudential M&G Global Themes	✓	✓	Global Equities	✓			✓					6
Prudential M&G Managed Growth	✓	✓	Flexible Investment	✓	✓		✓		✓		✓	6
Prudential M&G Optimal Income	✓	✓	Sterling Strategic Bond		✓		✓		✓			3
Prudential M&G Smaller Companies	✓	✓	UK Smaller Companies	✓				✓	✓	✓	✓	6
Prudential M&G Strategic Corporate Bond	✓	✓	Sterling Corporate Bond		✓				✓		✓	2
Prudential M&G UK Sustain Paris Aligned	✓	✓	UK All Companies	✓								6
Prudential Managed	✓	✓	Mixed Investment 40-85% Shares	✓	✓	✓	✓		✓		✓	4

Funds	Availability		Association of British Insurers (ABI) Sector	Asset Class Risk Types								Risk and Potential Reward Indicator
	FRP	FIP		Equity	Fixed Interest	Property	Currency	Smaller Companies and Emerging Markets	Financial Instruments	Alternative Investments	Other	
Additional Fund Choices (see pages 20 to 29 for more information)												
Prudential Managed Distribution	✓		Distribution Funds	✓	✓	✓			✓		✓	3
Prudential Ninety One Global Strategic Equity	✓	✓	Global Equities	✓			✓	✓	✓		✓	6
Prudential North America Equity	✓	✓	North America Equities	✓	✓		✓		✓		✓	6
Prudential Royal London Sustainable Leaders	✓	✓	UK All Companies	✓			✓				✓	6
Prudential Schroder Income	✓	✓	UK Equity Income	✓							✓	6
Prudential Schroder Tokyo	✓	✓	Japan Equities	✓			✓	✓			✓	6
Prudential Schroder UK Smaller Companies	✓		UK Smaller Companies	✓				✓			✓	6
Prudential Stewart Investors Asia Pacific Leaders*	✓		Specialist	✓			✓	✓	✓			6
Prudential UK Equity	✓	✓	UK All Companies	✓	✓		✓		✓		✓	6
Prudential UK Equity and Bond	✓	✓	Mixed Investment 20-60% Shares	✓	✓		✓		✓		✓	3
Prudential UK Tracker		✓	UK All Companies	✓								6
Prudential Wellington Global Impact Bond	✓	✓	Global Fixed Interest		✓		✓		✓		✓	3
Additional Fund Choices – Distribution Income Funds (See page 29 for more information)												
Prudential 0-35% Equity Managed Distribution (Inc)		✓	Mixed Investment 0-35% Shares	✓	✓	✓	✓		✓		✓	3
Prudential Managed Distribution (Inc)		✓	Distribution Funds	✓	✓	✓			✓		✓	3

* *Previously known as Prudential Stewart Investors Asia Pacific Leaders Sustainability Fund.*

Further information

If you're looking for more information on these funds, for example fact sheets, then visit **pru.co.uk/funds**
You'll also find an explanation of each of the ABI sector classifications on **pru.co.uk/abi**

Fund information

Investment strategies

Learn about the investment strategies of our funds

We've included this information so you can understand what each of the funds aim to do and where your money might be invested.

Prudential Multi Asset Funds

Multi-Asset funds work by spreading your money across a number of different types of assets. These can include a number of investment options, such as company shares (equities), fixed interest bonds, cash and property – from both the UK and abroad.

By investing in a number of different assets the fund manager aims to balance the risk that is being taken. So if one asset is falling in value then another may be increasing. This is known as Diversification. Of course there could be times when all the assets in the fund are either rising or falling in value depending on the market conditions at that time.

The following are examples of Multi-Asset funds we offer.

Prudential PruFund Risk Managed Funds

Prudential PruFund Risk Managed 1[1]
Objective: The fund aims to produce growth over the medium to long-term (5 to 10 years or more) while smoothing some of the ups and downs of short-term investment performance. The fund spreads investment risk by investing in a range of different asset types, which currently includes UK and international equities, property, fixed interest securities, index-linked securities and other specialist investments. The fund is actively managed and aims to limit the fluctuations ('volatility') the fund experiences, to 9% per annum (before smoothing). There is no guarantee that the fund will achieve its objective of managing the volatility below this limit.

Prudential PruFund Risk Managed 2[1]
Objective: The fund aims to produce growth over the medium to long-term (5 to 10 years or more) while smoothing some of the ups and downs of short-term investment performance. The fund spreads investment risk by investing in a range of different asset types, which currently includes UK and international equities, property, fixed interest securities, index-linked securities and other specialist investments. The fund is actively managed and aims to limit the fluctuations ('volatility') the fund experiences, to 10% per annum (before smoothing). There is no guarantee that the fund will achieve its objective of managing the volatility below this limit.

Prudential PruFund Risk Managed 3[1]
Objective: The fund aims to produce growth over the medium to long-term (5 to 10 years or more) while smoothing some of the ups and downs of short-term investment performance. The fund spreads investment risk by investing in a range of different asset types, which currently includes UK and international equities, property, fixed interest securities, index-linked securities and other specialist investments. The fund is actively managed and aims to limit the fluctuations ('volatility') the fund experiences, to 12% per annum (before smoothing). There is no guarantee that the fund will achieve its objective of managing the volatility below this limit.

1 *These funds are all invested in the Prudential With-Profits Fund. PruFund uses an established smoothing mechanism, and aims to grow your money while smoothing the short term ups and downs of investment markets. But there are significant differences in the way this is done for our With-Profits funds compared to PruFund funds. Please refer to "Your With-Profits Plan – a guide to how we manage the Fund" (document reference WPGB0027 for With-Profits and WPGB0031 for PruFund) for more information.*

We strongly suggest these documents are read before any investment decision is made.

Prudential PruFund Risk Managed 4[1]

Objective: The fund aims to produce growth over the medium to long-term (5 to 10 years or more) while smoothing some of the ups and downs of short-term investment performance. The fund spreads investment risk by investing in a range of different asset types, which currently includes UK and international equities, property, fixed interest securities, index-linked securities and other specialist investments. The fund is actively managed and aims to limit the fluctuations ('volatility') the fund experiences, to 14.5% per annum (before smoothing). There is no guarantee that the fund will achieve its objective of managing the volatility below this limit.

Prudential Risk Managed Passive Funds

Prudential Risk Managed Passive 1

Objective: The investment strategy of the fund is to buy units in the WS Prudential Risk Managed Passive 1 Fund – the underlying fund.

Underlying Fund Objective: The fund aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 9%. There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 9%. Capital invested is at risk.

Prudential Risk Managed Passive 3

Objective: The investment strategy of the fund is to buy units in the WS Prudential Risk Managed Passive 3 Fund – the underlying fund.

Underlying Fund Objective: The fund aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 12%. There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 12%. Capital invested is at risk.

Prudential Risk Managed Active Funds

Prudential Risk Managed Active 1

Objective: The investment strategy of the fund is to buy units in the WS Prudential Risk Managed Active 1 Fund – the underlying fund.

Underlying Fund Objective: The fund aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 9%. There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 9%. Capital invested is at risk.

Prudential Risk Managed Active 2

Objective: The investment strategy of the fund is to buy units in the WS Prudential Risk Managed Active 2 Fund – the underlying fund.

Underlying Fund Objective: The fund aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 10%. There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 10%. Capital invested is at risk.

Prudential Risk Managed Active 3

Objective: The investment strategy of the fund is to buy units in the WS Prudential Risk Managed Active 3 Fund – the underlying fund.

Underlying Fund Objective: The fund aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 12%. There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 12%. Capital invested is at risk.

Prudential Risk Managed Active 4

Objective: The investment strategy of the fund is to buy units in the WS Prudential Risk Managed Active 4 Fund – the underlying fund.

Underlying Fund Objective: The fund aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 14.5%. There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 14.5%. Capital invested is at risk.

Prudential Risk Managed Active 5

Objective: The investment strategy of the fund is to buy units in the WS Prudential Risk Managed Active 5 Fund – the underlying fund.

Underlying Fund Objective: The fund aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 17%. There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 17%. Capital invested is at risk.

Other Prudential Multi Asset Funds

Prudential PruFund Cautious and Protected Cautious[1]

Objective: The fund aims to produce growth over the medium to long term (5 to 10 years or more) using a cautious approach to investing while smoothing some of the ups and downs of short-term investment performance. The fund spreads investment risk by investing in a range of different asset types, which currently includes UK and international equities, property, fixed interest securities, index-linked securities, cash and other specialist investments. The cautious approach to investment means the fund aims to invest 50-75% in fixed interest securities, index-linked securities and cash, although we may occasionally move outside this range to meet the fund objectives.

Prudential PruFund Growth and Protected Growth[1]

Objective: The fund aims to produce growth over the medium to long-term (5 to 10 years or more) while smoothing some of the ups and downs of short-term investment performance. The fund spreads investment risk by investing in a range of different asset types, which currently includes UK and international equities, property, fixed interest securities, index-linked securities and other specialist investments.

Prudential With-Profits^

Objective: The fund aims to produce growth over the medium to long-term (5 to 10 years or more) while smoothing some of the ups and downs of short-term investment performance. The fund spreads investment risk by investing in a range of different asset types, which currently includes UK and international equities, property, fixed interest securities, index-linked securities and other specialist investments.

There are currently two types of bonuses:

Regular bonus

This is added during the term of your Plan. When we decide the rates of regular bonus, one of the main things we consider is the return we expect our investments to earn in future. We hold back some of this return with the aim of paying a proportion of the proceeds as final bonuses.

1 *These funds are all invested in the Prudential With-Profits Fund. The funds aim to protect investors against some of the ups and downs of investment performance using "smoothing" mechanisms. But there are significant differences in the way this is done for our With-Profits funds compared to PruFund funds. Please refer to "Your With-Profits Plan – a guide to how we manage the Fund" (document reference WPGB0027 for With-Profits and WPGB0031 for PruFund) for more information.*

We strongly suggest these documents are read before any investment decision is made. Where they're available, the returns on the With-Profits (Optimum Bonus) Fund and the PruFund Funds may differ from the returns on the With-Profits Fund/With-Profits (Optimum Return) Fund due to the smoothing process used and differences in the asset mix or the fund objectives.

2 *There's a charge to pay for the guarantees the With-Profits Fund supports. Please refer to your Key Features Document for more information.*

We can change the rate of future regular bonus at any time without prior notice. We don't guarantee that a regular bonus will be added each year, but once added to your Plan it increases the guaranteed minimum payout – this is a minimum amount we guarantee you'll get back if you move out of our Fund at particular times, for example on normal retirement date for pensions, or if you die.

Final bonus

This is an additional bonus, which we expect to pay when you take money from your Plan. If the investment return has been low over the lifetime of your Plan, a final bonus may not be paid. Final bonus may vary and isn't guaranteed.

If all, or any part of your Plan is invested in the With – Profits Fund, and the pension is transferred, switched to another fund or early retirement is taken, we may apply an adjustment called a Market Value Reduction (MVR). If an MVR applies you may not receive any final bonus, or the full value of the regular bonus and you may even get back less than you had invested. But the amount you get back from your Plan won't be less than the current market value of the assets underlying your Plan. MVRs are designed to protect investors not taking their money out of the Fund. Full details of our current practice of applying an MVR can be found in the Key Features Document and "MVR – a clear explanation" (document reference PRUS6165).

^ The Fund aims to protect investors against some of the highs and lows of short-term investment performance using "smoothing" mechanisms.

Prudential With-Profits (Optimum Bonus)[1,2]

Objective: The fund aims to produce growth over the medium to long-term and generate income (5 to 10 years or more) while smoothing some of the ups and downs of short-term investment performance. The fund spreads investment risk by investing in a range of different asset types, which currently includes UK and international equities, property, fixed interest securities, index-linked securities and other specialist investments.

Prudential With-Profits (Optimum Return)[1,2]

Objective: The fund aims to produce growth over the medium to long-term (5 to 10 years or more) while smoothing some of the ups and downs of short-term investment performance. The fund spreads investment risk by investing in a range of different asset types, which currently includes UK and international equities, property, fixed interest securities, index-linked securities and other specialist investments.

Additional Fund Choices

The choice of funds covers a range of different assets and types of funds which could be right for you at different times. Some of the funds are managed by Prudential whilst others are managed by external fund managers. These funds offer additional choice.

The following funds are all Prudential Funds. For the externally managed funds the Prudential fund will invest in the fund manager's own fund or collective investment scheme, as explained in the following investment strategies, unless otherwise stated.

Prudential Aegon Ethical Equity

Objective: The investment strategy of the fund is to purchase units in the Aegon Ethical Equity Fund - the underlying fund.

Underlying Fund Objective: The fund aims to maximise total return by investment in equities and equity type securities in companies based in the UK, principally conducting business in the UK or listed on the UK stock market and can also invest up to 20% in equities of

1 *These funds are all invested in the Prudential With-Profits Fund. The funds aim to protect investors against some of the ups and downs of investment performance using "smoothing" mechanisms. But there are significant differences in the way this is done for our With-Profits funds compared to PruFund funds. Please refer to "Your With-Profits Plan – a guide to how we manage the Fund" (document reference WPGB0027 for With-Profits and WPGB0031 for PruFund) for more information.*

We strongly suggest these documents are read before any investment decision is made. Where they're available, the returns on the With-Profits (Optimum Bonus) Fund and the PruFund Funds may differ from the returns on the With-Profits Fund/With-Profits (Optimum Return) Fund due to the smoothing process used and differences in the asset mix or the fund objectives.

2 *There's a charge to pay for the guarantees the With-Profits Fund supports. Please refer to your Key Features Document for more information.*

non-UK companies. The fund operates an ethical screen which means it may not invest in particular industries and sectors. In all cases, the investments of the underlying fund will meet its predefined ethical criteria. In addition the funds aims to provide a combination of income and capital growth over any 7 year period. Derivatives may be used for efficient portfolio management (including hedging to reduce currency risk).

Prudential Artemis Income

Objective: The investment strategy of the fund is to purchase units in the Artemis Income Fund - the underlying fund.

Underlying Fund Objective: The fund aims to achieve a rising income combined with capital growth from a portfolio with at least 80% made up of investments in the United Kingdom. The Manager actively manages the portfolio in order to achieve the objective with exposure to ordinary shares, preference shares, convertibles and fixed interest securities. The fund can invest 80%-100% in company shares and up to 20% may be held in bonds, cash, near cash and other transferable securities. The fund may use derivatives in order to reduce risk and efficient portfolio management.

Prudential Artemis SmartGARP European Equity

Objective: The investment strategy of the fund is to purchase units in the Artemis SmartGARP European Equity Fund - the underlying fund.

Underlying Fund Objective: The fund aims to provide long-term capital growth through investment principally in companies in Europe (excluding the UK). The Manager actively manages the portfolio and will not be restricted in the choice of investments either by company size or industry, or in terms of the geographical split of the portfolio. The fund can invest 80%-100% in company shares and up to 20% may be held in bonds, cash, near cash and other transferable securities. The fund may use derivatives in order to reduce risk and efficient portfolio management.

Prudential Artemis Strategic Bond

Objective: The investment strategy of the fund is to purchase units in the Artemis Strategic Bond Fund – the underlying fund.

Underlying Fund Objective: The fund aims to achieve a combination of income and capital growth by investing 80% to 100% in debt and debt-related securities (of any credit quality). The fund may also invest in cash and near cash, other transferable securities, other funds (up to, 10%) managed by Artemis and third party funds, money market instruments, and company shares. The fund may also use derivatives for efficient portfolio management, to reduce risk and manage the fund efficiently.

Prudential Artemis UK Smaller Companies

Objective: The investment strategy of the fund is to purchase units in the Artemis UK Smaller Companies Fund – the underlying fund.

Underlying Fund Objective: The fund aims to achieve long-term capital growth where between 80-100% of the fund will hold investment in smaller companies listed, quoted and/or traded and which are headquartered or have a significant part of their activities in the UK which are quoted on a regulated market outside the UK. Up to 20% may be invested in bonds, cash and near cash, other transferable securities, other funds (up to 10%) and derivatives. The fund may use derivatives for efficient portfolio management and to reduce risk.

Prudential Asia Pacific

Objective: The investment strategy of the fund is to purchase units in the M&G Funds (1) – Asia Pacific (ex Japan) Equity fund – the underlying fund.

Underlying Fund Objective: The sub-fund aims to provide a higher total return (capital growth plus income), net of the Ongoing Charge Figure, than the FTSE Custom Asia Pacific ex Japan Country Capped Index over any three-year period.

Prudential Baillie Gifford American

Objective: The investment strategy of the fund is to purchase units in the Baillie Gifford American Fund – the underlying fund.

Underlying Fund Objective: The objective is to produce capital growth over the long term. The fund will invest principally in equities of companies which are listed, quoted, traded, incorporated, domiciled or conducting a significant portion of their business in the United States of America. Investment may be direct or indirect and the portfolio will be concentrated, usually between 30-50 stocks. The fund may also invest in other equities, cash and near cash. Up to (but no more than) 10% in value of the-fund may be invested in each of the following: (1) collective investment schemes, including those managed or operated by the ACD and (2) deposits. The fund will be actively managed, and investment may be made in any economic sector.Performance Objective: To outperform (after deduction of costs) the S&P 500 Index, as stated in sterling, by at least 1.5% per annum over rolling five-year periods.

Prudential BlackRock Gold & General

Objective: The investment strategy of the fund is to purchase units in the BlackRock Gold & General Fund – the underlying fund.

Underlying Fund Objective: The fund aims to provide a return on your investment (generated through an increase in the value of the assets held by the fund) (gross of fees) over the long term (5 or more consecutive years beginning at the point of investment) through investment in shares of companies related to gold mining, commodities and precious-metals. It tends to be volatile and is particularly suitable for diversification in a larger portfolio.

Prudential BlackRock UK

Objective: The investment strategy of the fund is to purchase units in the BlackRock UK Fund - the underlying fund.

Underlying Fund Objective: The fund aims to provide a return on your investment (generated through an increase in the value of the assets held by the Fund) (gross of fees) over the long term (5 or more consecutive years beginning at the point of investment) by investing in the shares of larger companies incorporated or listed in the UK. The Fund invests at least 70% of its total assets in shares of larger companies, the top 350-400 companies by market capitalisation incorporated or listed on a stock exchange in the United Kingdom.

Prudential BlackRock UK Special Situations

Objective: The investment strategy of the fund is to purchase units in the BlackRock UK Special Situations Fund - the underlying fund.

Underlying Fund Objective: The fund aims to provide a return on your investment (generated through an increase in the value of the assets held by the Fund) (gross of fees) over the long term (5 or more consecutive years beginning at the point of investment) by investing in shares of companies incorporated or listed in the UK. The fund invests at least 70% of its total assets in the equity securities (e.g. shares) of companies incorporated or listed in the United Kingdom and will normally have an emphasis on small and medium sized companies. The fund manager may use derivatives to reduce risk within the Fund’s portfolio, reduce investment costs and generate additional income.

Prudential Cash

The investment strategy of the fund is to provide an investment return that is consistent with a high degree of security with short-term liquidity. The fund holds a mixture of deposits and short-term bonds and securities issued by banks, the UK Government, local authorities and leading UK companies.

Prudential European Equity

Objective: The investment strategy of the fund is to purchase shares in European (excluding UK) companies via other M&G funds. It is a “fund of funds” holding units in several more specialised European equity funds to give access to a variety of methods for generating investment returns in differing market conditions.

Prudential Fidelity Asia

Objective: The investment strategy of the fund is to purchase units in the Fidelity Asia Fund – the underlying fund.

Underlying Fund Objective: The fund aims to increase the value of your investment over a period of 5 years or more. The fund will invest at least 70% in equities (and their related securities) of companies throughout Asia (excluding Japan) (those domiciled, incorporated or having significant business in Asia (excluding Japan) and those which are listed in the region).

The remainder will be invested in companies outside of the region detailed above and in other investment types such as cash and derivatives.

Prudential Fidelity European

Objective: The investment strategy of the fund is to purchase units in the Fidelity European Fund – the underlying fund.

Underlying Fund Objective: The fund aims to increase the value of your investment over a period of 5 years or more and provide a growing level of income. The fund will invest at least 80% in equities (and their related securities) of companies domiciled, incorporated or having significant business in continental Europe and those which are listed in the region). Derivatives may also be used for the purposes of efficient portfolio management (EPM) or for investment purposes.

Prudential Global Emerging Markets Portfolio

Objective: This Portfolio aims to achieve long-term total return (the combination of income and growth of capital). It is a managed portfolio investing in Collective Investment Schemes in order to provide equity exposure to emerging stock markets worldwide or companies with significant activities in emerging markets.

Prudential International

Objective: The investment strategy of the fund is to provide medium to long-term growth (5 to 10 years or more) by investing in a well-diversified and balanced spread of world equity markets including UK, Europe, North America, Asia-Pacific, Emerging Markets and other regions. The geographic split of assets is reviewed regularly and is achieved predominantly through investment in collective investment schemes. The balanced spread of equity markets, and the associated performance the fund generates, may differ from other global equity funds that could be more closely aligned to global equity index benchmarks.

Prudential Japanese

Objective: The investment strategy of the fund is to purchase units in the M&G (ACS) Japan Equity fund – the underlying fund.

Underlying Fund Objective: The fund aims to provide a higher total return (capital growth plus income), net of the Ongoing Charge Figure, than the S&P/Topix 150 Index over any three-year period.

Prudential JP Morgan Natural Resources

Objective: The investment strategy of the fund is to purchase units in the JP Morgan Natural Resources Fund – the underlying fund.

Underlying Fund Objective: The fund aims to provide capital growth over the long term by investing primarily in the shares of companies throughout the world engaged in the production and marketing of commodities.

Prudential L&G Property

Objective: The investment strategy of the fund is to purchase units in the L&G Property Fund.

Underlying Fund Objective: The fund aims to carry on Property Investment Business and to manage cash raised from investors for investment in the Property Investment Business. In doing so, the objective of the fund is to achieve income and capital growth through investing generally in commercial property.

The Fund will invest at least 60% of its assets in property and property-related assets. Although the Fund's investment in property and property-related assets is typically expected to be in the region of 80% – 90% of the Fund's assets, this may vary as a result of factors such as market conditions.

The Fund may obtain its exposure through a combination of direct and indirect holdings with exposure across industry sectors (including but not limited to retail, offices, industrial, leisure, healthcare and residential) and geographies.

The Fund's direct holdings, which will typically consist of around 45% of the Fund's assets, will be in property located in the UK. The Fund intends to purchase, hold and, where relevant, develop such properties with the intention of enhancing their capital value and/or income return.

The Fund may obtain indirect exposure to property through listed transferable securities (such as real estate investment trusts) and collective investment schemes.

The Fund may also invest in money-market instruments (such as treasury bills), permitted deposits, bonds (issued by governments and public bodies), money market funds and cash.

The Fund may only use derivatives for the purposes of Efficient Portfolio Management.

Prudential M&G Corporate Bond

Objective: The investment strategy of the fund is to purchase units in the M&G Corporate Bond Fund – the underlying fund.

Underlying Fund Objective: The Fund aims to provide a higher total return (the combination of capital growth and income), net of the Ongoing Charge Figure, than the average return of the iBoxx Sterling Corporates GBP Index over any five-year period. At least 70% of the fund is invested, directly or indirectly through derivatives, in investment grade corporate debt securities including investment grade Asset-Backed Securities. These securities can be issued by companies from anywhere in the world, including Emerging Markets. These securities are denominated in sterling or hedged back to sterling. Other investments may include:

- debt securities issued or guaranteed by governments and their agencies, public authorities, quasi-sovereigns, and supranational bodies and denominated in any currency.
- below investment grade and unrated debt securities.
- below investment grade and unrated asset-Backed Securities; and
- other transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G).

Investments in Asset-Backed Securities are limited to 20% of the fund. The fund aims to hedge any non-sterling assets to sterling. Derivatives may be used for investment purposes, Efficient Portfolio Management, and hedging.

The Fund is diversified across a range of investment grade debt securities from a variety of sectors and geographies. The Fund's investment approach is based on the principle that returns from corporate bond markets are driven by a combination of macroeconomic, asset class, sector, geographic and stock-level factors. As different factors dominate returns at different stages of the economic cycle, the manager applies a flexible investment approach, changing the blend of duration and credit exposure in the portfolio to weight them appropriately. Individual credit selection is carried out with the assistance of an in-house team of credit analysts to complement the fund manager's views.

Prudential M&G Dividend

Objective: The investment strategy of the fund is to purchase units in the M&G Dividend Fund - the underlying fund.

Underlying Fund Objective: The fund has three aims which are to provide an annual yield higher than that of the FTSE All-Share Index, to provide an income stream that increases every year and provide a higher total return (the combination of capital growth and income), net of the Ongoing Charge Figure, than that of the FTSE All-Share Index over any five-year period. At least 70% of the fund is invested in equity securities and equity-related securities of companies across any sector and market capitalisation, that are incorporated, domiciled, listed or do most of their business in the United Kingdom. The fund may also invest in other transferable securities, including the shares of non-UK companies, cash and near cash directly or via collective investment schemes (including funds managed by M&G). Derivatives may be used for efficient portfolio management and hedging.

Prudential M&G Episode Allocation

Objective: The investment strategy of the fund is to purchase units in the M&G Episode Allocation Fund – the underlying fund.

Underlying Fund Objective: The fund targets combined income and capital growth of at least 5% a year above the Sterling Overnight Index Average (SONIA), before any charges are taken, over any five-year period. SONIA reflects the average interest rate that banks pay to borrow sterling overnight from other financial institutions. The fund has a very flexible investment approach, with the freedom to invest in different types of assets. The approach combines in-depth research to determine the value of assets over the medium to long term, with analysis of investors' emotional reaction to events to identify investment opportunities. The fund gains access to assets directly and indirectly through derivatives. There is no guarantee that the fund will achieve a positive return over any period. Investors may not get back the original amount they invested.

Prudential M&G Episode Growth

Objective: The investment strategy of the fund is to purchase units in the M&G Episode Growth Fund - the underlying fund.

Underlying Fund Objective: The fund aims to provide a higher total return (the combination of capital growth and income) net of the Ongoing Charge Figure, than the average return of the IA Mixed Investment 40-85% Shares Sector over any five-year period. The fund has a very flexible investment approach, with the freedom to invest in different types of assets. The approach combines indepth research to determine the value of assets over the medium to long term, with analysis of investors' emotional reaction to events to identify investment opportunities. The fund gains access to assets directly and indirectly through other funds or derivatives.

Prudential M&G Gilt & Fixed Interest Income

Objective: The investment strategy of the fund is to purchase units in the M&G Gilt & Fixed Interest Income Fund – the underlying fund.

Underlying Fund Objective: The fund aims to provide a higher total return (the combination of capital growth and income), net of the Ongoing Charge Figure, than that of the FTSE UK Conventional Gilts All Stocks Index over any five-year period. At least 70% of the fund is invested, directly or indirectly through derivatives, in investment grade short, medium and long-dated gilts. These securities are issued or guaranteed by the UK government, and denominated in sterling. Other investments may include transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G). Derivatives may be used for investment purposes, efficient portfolio management and hedging.

Prudential M&G Global High Yield Bond

Objective: The investment strategy of the fund is to purchase units in the M&G Global High Yield Bond Fund – the underlying fund.

Underlying Fund Objective: The fund aims to provide a higher total return (the combination of capital growth and income), net of the Ongoing Charge Figure, than that of the ICE BofAML Global High Yield Index (GBP Hedged) over any five-year period. At least 80% of the fund is invested, directly or indirectly through derivatives, in below investment grade corporate debt securities. These securities can be issued by companies from anywhere in the world, including Emerging Markets.

Other investments may include:

- Asset-Backed Securities, and
- other transferable securities, government bonds, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G).

There are no credit quality restrictions applicable to the fund's investments. The fund aims to hedge any non-sterling assets back to sterling. Derivatives may be used for investment purposes, efficient portfolio management and hedging.

Prudential M&G Global Themes

Objective: The investment strategy of the fund is to purchase units in the M&G Global Themes Fund – the underlying fund.

Underlying Fund Objective-The Fund aims to provide a higher total return (the combination of capital growth and income), net of the Ongoing Charge Figure, than that of the MSCI ACWI Index over any five-year period.

Prudential M&G Managed Growth

Objective: The investment strategy of the fund is to purchase units in the M&G Managed Growth Fund - the underlying fund.

Underlying Fund Objective: The fund aims to provide a higher total return (the combination of capital growth and income) net of the Ongoing Charge Figure, than the average return of the IA Flexible Investment Sector over any five-year period. At least 70% of the fund is invested in other funds to give exposure to a range of assets from anywhere in the world. The fund may also invest directly in these assets and use derivatives. In aggregate, at least 70% of the fund's assets will be invested in company shares, either directly or via other funds. The fund has a flexible investment approach which combines in-depth research to determine the value of assets over the medium to long term, with analysis of investors' emotional reaction to events to identify investment opportunities.

Prudential M&G Optimal Income

Objective: The investment strategy of the fund is to purchase units in the M&G Optimal Income Fund – the underlying fund.

Underlying Fund Objective: The Fund aims to provide a higher total return (the combination of capital growth and income), net of the Ongoing Charge Figure, than the average return of the composite index, over any five-year period. The composite index is made up of one third Bloomberg Global Treasury Index GBP Hedged, one third Bloomberg Global Aggregate Corporate Index GBP Hedged and one third Bloomberg Global High Yield Index GBP Hedged.

At least 50% of the fund is invested, directly or indirectly through derivatives, in debt securities, including investment grade bonds, below investment grade, unrated securities and Asset Backed Securities. These securities can be issued or guaranteed by governments and their agencies, public authorities, quasi-sovereigns, supranational bodies and companies from anywhere in the world, including Emerging Markets. These securities can be denominated in any currency. Other investments may include:

- up to 20% of the fund in equities; and
- other transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G). There are no credit quality restrictions applicable to the fund's investments. At least 80% of the fund is in sterling or hedged back to sterling. Derivatives may be used for investment purposes, efficient portfolio management and hedging.

The Fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the Fund.

Prudential M&G Smaller Companies

Objective: The investment strategy of the fund is to purchase units in M&G Smaller Companies Fund – the underlying fund.

Underlying Fund Objective: The fund aims to deliver a higher total return (the combination of capital growth and income) than the Numis Smaller Companies Index (excluding Investment Companies), net of the Ongoing Charge Figure, over any five year period. At least 80% of the fund is invested in the UK smaller companies. These are UK listed companies which, at the initial time of purchases, are:

- in the bottom 10% (by market capitalisation) of the FTSE All-Share Index, or
- in the Numis Smaller Companies Index (excluding Investment Companies), or
- listed on the Alternative Investment Market.

The fund may also invest in collective investment schemes and other transferable securities. Cash and near cash may be held for ancillary purposes and derivatives, including warrants, may be used for efficient portfolio management and hedging purposes.

Prudential M&G Strategic Corporate Bond

Objective: The investment strategy of the fund is to purchase units in the M&G Strategic Corporate Bond Fund – the underlying fund. Underlying Fund Objective: The Fund aims to provide a higher total return (the combination of capital growth and income), net of the Ongoing Charge Figure, than the average return of the iBoxx Sterling Corporates GBP Index (the benchmark), over any five-year period. At least 70% of the fund is invested, directly or indirectly through derivatives, in investment grade corporate debt securities including investment-grade Asset-Backed Securities. These securities can be issued by companies from anywhere in the world, including Emerging Markets. These securities can be denominated in any currency. Other investments may include:

- below investment grade and unrated corporate debt securities.
- debt securities issued or guaranteed by governments and their agencies, public authorities, quasi-sovereigns, and supranational bodies.
- below investment grade and unrated Asset-Backed Securities; and
- other transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G).

Investments in Asset-Backed Securities are limited to 20% of the fund. The fund aims to hedge any non-sterling assets to sterling. Derivatives may be used for investment purposes, efficient portfolio management and hedging.

The Fund is diversified across a range of investment grade debt securities from a variety of sectors and geographies. The Fund's investment approach is based on the principle that returns from corporate bond markets are driven by a combination of macroeconomic, asset class, sector, geographic and stock-level factors. As different factors dominate returns at different stages of the economic cycle, the manager applies a flexible investment approach, changing the blend of duration and credit exposure in the portfolio to weight them appropriately. The fund manager has the freedom to take a high-conviction approach when selecting credits for the Fund. Individual credit selection is carried out with the assistance of an in-house team of credit analysts to complement the fund manager's views.

Prudential M&G UK Sustain Paris Aligned

Objective: The investment strategy of the fund is to purchase units in the M&G UK Sustain Paris Aligned Fund – the underlying fund.

Underlying Fund Objective: The fund has two aims:

- To provide a higher total return (capital growth plus income), net of the Ongoing Charge Figure, than the FTSE All-Share Index over any five year period; and
- To invest in companies that contribute towards the Paris Agreement climate change goal.

At least 80% of the fund is invested directly in equities and equity related securities of companies, across any sector and of any size, that are incorporated, domiciled or do most of their business, in the UK. The fund is concentrated and usually holds shares in fewer than 50 companies. The fund invests in securities that meet the ESG Criteria and Sustainability Criteria.

The following types of exclusions apply to the fund's direct investments:

- Norms-based exclusions: investments that are assessed to be in breach of commonly accepted standards of behaviour related to human rights, labour rights, environment and anti-corruption.
- Sector-based and/or values-based exclusions: investments and/or sectors exposed to business activities that are assessed to be damaging to human health, societal wellbeing, the environment, or otherwise assessed to be misaligned with the fund's sector-based and/or values based criteria.
- Other exclusions: investments assessed to be otherwise in conflict with the ESG Criteria and Sustainability Criteria.

Prudential Managed

Objective: The investment strategy of the fund is to provide medium to long-term growth (the combination of income and growth of capital) by investing mainly in a broad spread of collective investment schemes. The fund will typically have exposure to a range of asset types, including UK and overseas equities, fixed interest and commercial property.

Prudential Managed Distribution

Objective: The investment strategy of the fund is to deliver capital growth and produce a regular income over the longer term by investing mainly in sterling denominated equities, bonds and property via collective investment schemes.

Prudential Ninety One Global Strategic Equity

Objective: The investment strategy of the fund is to purchase units in the Ninety One Global Strategic Equity Fund – the underlying fund.

Underlying Fund Objective: That fund aims to provide capital growth (to grow the value of your investment) over at least 5 years. The fund invests primarily (at least two-thirds) in the shares of companies around the world and in related derivatives (financial contracts whose value is linked to the price of the shares of such companies).

Prudential North America Equity

Objective: The investment strategy of the fund is to purchase shares in North American companies via other M&G funds. It is a "fund of funds" holding units in several more specialised North American equity funds to give access to a variety of methods for generating investment returns in differing market conditions.

Prudential Royal London Sustainable Leaders

Objective: The investment strategy of the fund is to purchase units in the Royal London Sustainable Leaders Trust – the underlying fund.

Underlying Fund Objective: The trust aims to achieve capital growth over the medium term, which should be considered as a period of 3-5 years, by investing predominantly in a diverse portfolio of shares across any economic sector where at least 80% of the assets will be invested in UK companies listed on the London Stock Exchange that are deemed to make a positive contribution to society. The Scheme's performance target is to outperform the FTSE All-Share Index (the "Index") over a rolling 5-year period. The scheme is actively managed meaning that the fund manager will use their investment expertise to select investments that will adhere to the manager's ethical and sustainable investment policy

Prudential Schroder Income

Objective: The investment strategy of the fund is to purchase units in the Schroder Income Fund – the underlying fund.

Underlying Fund Objective: The fund aims to provide income and capital growth in excess of the FTSE All Share (Gross Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of UK companies.

Prudential Schroder Tokyo

Objective: The investment strategy of the fund is to purchase units in the Schroder Tokyo Fund – the underlying fund.

Underlying Fund Objective: The fund aims to provide capital growth in excess of the Tokyo Stock Exchange 1st Section (Gross Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of Japanese companies.

Prudential Schroder UK Smaller Companies

Objective: The investment strategy of the fund is to purchase units in the Schroder UK Smaller Companies Fund – the underlying fund.

Underlying Fund Objective: The fund aims to provide capital growth in excess of the FTSE UK Series Small Cap ex Investment Trusts (Gross Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of small-sized UK companies.

Prudential Stewart Investors Asia Pacific Leaders

Objective: The investment strategy of the fund is to purchase units in the Stewart Investors Asia Pacific Leaders Sustainability Fund – the underlying fund.
Underlying Fund Objective: The fund aims to achieve long-term capital growth by investing primarily in large and mid-capitalisation equities issued by companies that are incorporated or listed, or which conduct the majority of their economic activity, in the Asia Pacific region (excluding Japan, including Australasia). Particular consideration is given to investment in companies that are positioned to benefit from, and contribute to, the sustainable development of the countries in which they operate.

Prudential UK Equity

Objective: The investment strategy of the fund is to purchase shares in UK companies via other M&G funds. It is a "fund of funds" holding units in several more specialised UK equity funds to give access to a variety of methods for generating investment returns in differing market conditions.

Prudential UK Equity and Bond

Objective: The investment strategy of the fund is to provide long term growth (the combination of income and capital growth) by investing mainly in UK equities and sterling denominated Corporate Bonds via collective investment schemes.

Prudential UK Tracker

Objective: The investment strategy of the fund is to purchase units in the M&G Index Tracker – the underlying fund.

Underlying Fund Objective: The Fund is designed to track the FTSE All-Share Index. The Index represents the performance of small, medium and large companies listed on the London Stock Exchange's main market. The Fund uses a full-replication method to track the Index and seeks to replicate as closely as possible the constituents of the Index by holding all the securities in similar proportions to their weightings in the Index.

The tracking method of full replication and the use of derivatives, when required, for short term efficient portfolio management purposes does not introduce any counterparty risk. The return received by shareholders will be reduced by the effects of charges.

Prudential Wellington Global Impact Bond

Objective: The investment strategy of the fund is to purchase units in the Wellington Global Impact Bond Fund - the underlying fund.

Underlying Fund Objective: The fund seeks long-term total returns (capital appreciation and income). The fund has a sustainable objective to seek to understand the world's social and environmental problems and to invest in companies and organisations that it believes are addressing these needs in a differentiated way through their core products, services and projects. The fund through its investments, seeks to improve access to, and the quality of, basic life essentials, reduce inequality and mitigate the effects of climate change. The fund will be actively managed and seeks to deliver long-term total returns in excess of the Bloomberg Barclays Global Aggregate Index (USD Hedged) ("the Index") and achieve its objectives by investing primarily in investment-grade global fixed income securities.

Additional Fund Choices – Distribution Income Funds

These distribution funds are available through our Flexible Investment Plan. These funds can pay out a natural "income" based on what the underlying assets in the fund have earned (this can include dividends from shares, lease payments from properties, interest from fixed interest holdings). Please see your Key Features Document for further information on withdrawing money from your Plan.

Prudential 0-35% Equity Managed Distribution (Inc)[1]

Objective: The investment strategy of the fund is to provide a regular income, whilst achieving long-term growth and seeking to limit capital volatility by investing mainly in assets such as bonds, property and UK equities via collective investment schemes. No more than 35% of the fund will be invested in equities at any time.

Prudential Managed Distribution (Inc)[1]

Objective: The investment strategy of the fund is to deliver capital growth and produce a regular income over the longer term by investing mainly in sterling denominated equities, bonds and property via collective investment schemes.

1 These funds distribute on the 17 February/17 August each year.

Some useful investment terms

Learn about some investment related terms

This is a high-level guide to some useful investment terms. It's not meant to cover every term you may come across and you may not find each item in the glossary within this guide. Please speak to your financial adviser if you need help or want to know more about terms used around investments.

"Blue Chip" Companies

Companies which are large, and considered to be reputable and financially sound.

Bonds (and Fixed Interest Securities)

A bond is an 'I owe you' that promises to pay an amount of money on a specified date and pay a fixed rate of interest along the way. Companies and governments can issue bonds when they want to raise money. Bonds issued by companies are called corporate bonds. Bonds issued by the UK government are called gilts and those issued by the US government are called treasury bonds.

Collective Investment Schemes

A way of pooling investment with others within a single investment fund. Once you've joined the scheme, you can have access to a wider range of investments than if you were investing individually. You'll also share the costs and benefits. Collective Investment Schemes, such as OEICs, Unit Trusts, Mutual funds, usually target investments in geographic regions (like emerging market countries) or specific themes (like technology or property).

Corporate Bonds

Loans to companies where the buyer of the corporate bond lends money in return for regular interest payments and the promise that the initial sum will be repaid on a specified later date.

Derivatives

These refer to products such as futures and options which are generally an arrangement between different parties to buy or sell a standard quantity of a specified asset on a fixed future date at a price agreed today.

Equities

Equities are also known as shares or stocks. They are a share of the ownership of a company.

Financial Times Stock Exchange (FTSE)

Floating Rate Notes

Short-term loans to financial companies, such as banks. The investor receives interest payments, which may go up or down, and at the end of an agreed period the company has to repay the loan.

Government Bonds

Loans to the government where the buyer of the government bond lends money to the government. In return, they get regular interest payments and the promise that the initial sum will be repaid on a specified later date. Bonds issued by the UK government are called gilts and those issued by the US government are called treasury bonds.

Hedging

A way of trying to reduce or limit risk. Hedging involves making a deal in one market in order to try to protect against possible losses in another. Often used by Hedge Funds.

Index-Linked Securities

Are similar to fixed interest securities but the payments to the investor are normally increased in line with a measure of inflation.

Investment Grade

An agency (e.g. Standard and Poor's) can give a rating to a corporate or government bond. The rating indicates whether the agency believes that the bond issuer has a relatively low risk of not paying what it owes the buyer of the bond. Bonds with credit ratings of AAA, AA, A or BBB are considered investment grade. Low rated bonds with ratings of BB or below are often called Junk Bonds.

Money Market Investments

These are cash and investments similar to cash such as bank deposits, certificates of deposits, fixed interest securities or floating rate notes. They usually have a life of less than a year.

OEIC (Open Ended Investment Company)

An open ended investment company is a way to invest collectively with others into a portfolio of companies or assets. It pools investors' money and uses it to invest in companies, assets and other commodities that it thinks may generate a return.

The value of the OEIC is equally divided into shares which will vary in price and in the number issued.

When new money is invested, new shares or units are created to match the share price.

Preference Shares (also called Preferred Stock or Preferred Shares)

Shares in a company which give their holders a right to a fixed dividend payment. Some carry voting rights.

If you hold preference shares, you may get preferential treatment over common shareholders. You'll get a dividend before them and, in the event of bankruptcy, you'll be paid from company assets before common shareholders (but after debt holders).

Shares

See Equities.

Smaller Companies

Companies that you can find on a recognised exchange that have lower value than blue chip companies. In the UK, smaller companies are usually defined as those with market values below the top 350 companies in the FTSE All Share Index.

Units/Unit Linked

Unit linked funds are divided into units and the investors hold a number of units representing the money they have invested. The price of units changes daily to reflect the value of the assets held in the fund and so the investor's fund value at any point depends on the price of the units.

Further information

If you're looking for more information then please speak to your financial adviser.

pru.co.uk

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