

International Portfolio Bond Value Assessment June 2024

Our approach to assessing fair value considers the product or service as a packaged product. It makes allowance for the individual components which we manufacture that make up the packaged product.

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

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

Wrapper and Investments Assessment

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

The result of the most recent value assessment for the International Portfolio Bond meets our value assessment requirements and there were no limitations in the product that could reduce its value or benefit to the customers within the target market.

No allowance is made for adviser charges that we may facilitate or other services that are paid for from the product. We also rely on the Collective Investment Scheme's manufacturer's assessment of value.

Proposition Benchmarking

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

Products and their benefits

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

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

The International Portfolio Bond is an investment bond that lets a customer invest their money in a range of different assets. It aims to grow the value of the customer's investment over the medium to long term (5-10 years) and lets customers make tax-efficient withdrawals. It offers access to PruFund and a range of external collectives.

Investment Components

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

PruFund

PruFund is subject to significant levels of oversight by the manufacturer (Prudential Assurance Corporation Limited (PAC)). This covers investments performance and management as well as the operation of the fund itself.

As part of the value assessment PAC consider the basis for setting Expected Growth Rates, investments decisions in relation to smoothing of investment returns, the charges and associated benefits relating to smoothing, the management of the With-Profits Estate and the expenses allocated to the With-Profits Fund.

Further details of how the fund is operated can be found in the **Principles and Practices of Financial Management document** this can be found at mandg.com/pru/adviser/insights-events/news/ppfm and the **Prudential International Assurance Boards annual report to the policyholders** can be found at mandg.com/pru/adviser/en-im/footer/financial-report

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

Collective Investment Schemes

Where we provide access to a collective investment scheme through our wrapper, we will rely on the manufacturer's assessment to ensure they are meeting fair value requirements.

Where a manufacturer's value assessment highlights they are not meeting the requirements, and there is no remedial action plan in place, appropriate actions will be taken for example, we may close the fund to further investments.

Please note that we are reliant on the manufacturer undertaking the assessment in accordance with regulatory expectations. Advisers are expected to consider all parts of the value chain within their own value assessment and should consider if additional oversight is required.

Product Charges & Costs

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

For generic information on product charges and costs please refer to the specific product **fast facts document**.

For each product a key information document is available which provides information to help understand the nature, risks, costs, potential gains and losses of the product and to help compare it with other products.

The customer specific personal illustration details the product charges based on the amount to be invested, along with investment costs and charges based on the investments chosen and any adviser charges selected. It also provides reduction in yield calculations.

You will find the fast facts documents, along with other useful information at mandg.com/pru/adviser/en-gb/products/investments/international-portfolio-bond.

Service

Delivering customer value and improving customer experience is at the heart of everything we do. As part of our customer support and understanding assessment we undertake reviews of our key journeys and communications. We aim to ensure our customers do not face unreasonable barriers (including unreasonable additional costs such as delays, distress or inconvenience) during the lifecycle of a product.

Our service charter sets out the service standards which represents a statement of our commitment to excellence in service delivery and can be found here mandg.com/dam/pru/shared/documents/en/nipb100008201.pdf

Service is monitored on an ongoing basis and as part of our value assessment we consider achieving excellence to be delivery against the service charter at least 90% of the time in relation to the key service transactions i.e. new business, money out. The results of this assessment was based on the most recent data available and covered a period of 12 months.

The assessment result is positive and no material concerns were raised.

Customer Support & Understanding

In addition to the value assessment work and as part of the customer support and understanding outcome focus, the Customer Insights (CI) team work across the business to formulate research studies each year.

The research undertaken in 2023 highlighted some areas for improvement, and these improvements have now been implemented.

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