

Prudential Guaranteed Income Plan Value Assessment February 2025

Our approach to assessing fair value considers the product or service as a packaged product.

We do not make an allowance for any adviser charges that we may facilitate and expect the adviser to have considered the value of their service to their client.

Wrapper Assessment

Money's Worth is the measure used to make a judgment on the monetary value the customer is getting from our Guaranteed Income Plan in relation to what we charge including expenses and profitability we allow for. The test considers the present value of future payments (discounted at risk-free rates) divided by the original purchase premium.

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 Guaranteed Income Plan 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.

Proposition Benchmarking

We consider, as part of our proposition development and ongoing product life cycle management processes, 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 on Guaranteed Income Plan 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 product's design, management or administration. This includes an assessment of the customers and customer groups within the target market as well as an assessment that considers customers with characteristics of vulnerabilities and those with protected characteristics.

Prudential Guaranteed Income Plan

The Prudential Guaranteed Income Plan is for Trustees of UK registered pension schemes, particularly Self-Invested Personal Pension schemes (SIPPs). It allows Trustees to invest on behalf of members.

The Prudential Guaranteed Income Plan is designed for individual members phasing into, or in the early years of retirement looking for a guaranteed income, a guaranteed lump sum, or a combination of both.

Investment Components

The following information outlines the checks undertaken by the investment manufacturer.

With-Profits

With-profits is subject to significant levels of oversight. This covers investment performance and management as well as the operation of the fund itself.

As part of our value assessment, we consider the basis for setting bonus rates, investment decisions in relation to smoothing of investment returns, the impact on the inherited estate and the charges and expenses allocated to the assets in the fund that back the Prudential Guaranteed Income Plan.

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

As a result of the most recent assessment, we concluded that the fund meets our value assessment requirements.

Product charges & Costs

The charges we take are factored into the calculation of the guaranteed benefits, which are confirmed in the customer specific quote. These charges cover various costs associated with setting up and looking after the plan, for example the cost of marketing, administration, investment management and providing the guarantees.

Service

Delivering customer value and improving customer experience is at the heart of everything we do. We have a defined set of metrics to assess the service that we offer and will monitor these on an ongoing basis. Results of this, once available, will be published on our Consumer Duty online support pages.

Customer Support & Understanding

In addition to the value assessment work and as part of the customer support and understanding outcome focus, our Customer Insights team (CI) have an ongoing focus on customer experience improvements through independent testing. This considers not only communications but also the end to end customer product lifecycle experience. This helps us to ensure we are meeting the requirements of Consumer Duty.

The CI team will continue working with independent testing agencies who've been providing Consumer Duty guidance for some time.

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