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Q&A
PruFund range

June 2024 Edition

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Contents

The main acronyms used in this document are:

AUM	Assets under management	**PPP**	Personal pension plan
EGR	Expected growth rate	**PRI**	Principles of Responsible Investment
ESG	Environmental, social and governance	**QSL**	Quarterly smoothing limit
FCA	Financial Conduct Authority	**SAA**	Strategic asset allocation
FSCS	Financial Services Compensation Scheme	**SDR**	Sustainable Disclosure Requirements
IA	Investment Association	**SIPP**	Self-invested personal pension
IGC	Independent Governance Committee	**TAA**	Tactical asset allocation
ISA	Individual savings account	**T&IO**	Treasury & Investment Office
LCR	Liquidity coverage ratio	**TIP**	Trustee investment plan
LTIS	Long-Term Investment Strategy	**TVaR**	Tail Value at Risk
OEIC	Open-ended investment company	**UPA**	Unit price adjustments
PAC	Prudential Assurance Company	**UPR**	Unit price resets

Introduction

Prudential has commissioned Defaqto to carry out an independent fact-based review of the PruFund proposition. This has been done in the format of a Q&A report.

This Q&A report considers the use of the PruFund range within the products where it is available – pensions, bonds and ISAs. The objective is to provide advisers with the processes and information they should be considering when assessing the suitability of the PruFund range.

While some of the questions are specific to the make-up of the PruFund range, many can be applied when carrying out research on other funds and investment solutions to gauge their suitability for clients.

The Q&A report was conducted using Prudential's full suite of adviser and client-facing marketing literature. Defaqto has also had access to senior representatives of Prudential.

This Q&A report represents Defaqto's understanding of the investment process, terms and conditions of the PruFund range, along with comments on the key features and attributes of this proposition. It does not represent a recommendation to invest in the PruFund range, and Defaqto encourages advisers to conduct their own suitability and due diligence processes before selecting this fund solution, or any other.

Richard Hulbert
Insight Consultant

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Investment Consultant

The questions posed by Defaqto are:

1. What type of funds are they?
2. What are the aims of the PruFunds and how have they performed?
3. Who is the team behind the PruFunds?
4. What are the key consumer duty due diligence points that should be considered?
5. What is the investment process behind the PruFunds?
6. Are ESG factors considered in the management of the PruFunds?
7. How do the PruFunds work?
8. How can the PruFunds be accessed?
9. What are the charges?
10. When considering quality and suitability, how can the PruFunds be approached and compared?

Regulatory update

Sustainable Disclosure Requirements (SDR)

The Financial Conduct Authority (FCA) published its SDR rules in November 2023.

Sustainable funds fulfilling the qualifying criteria will be able to use one of four illustrated labels from the end of July 2024. Portfolio services previously out of scope are likely to be brought into the same regime from the end of the year.

Advisers will need to start considering these within their advice processes between 1 August and 2 December 2024.

Sustainability Impact™

Sustainability Focus™

Sustainability Improvers™

Sustainability Mixed Goals™

Alongside the four labels, the FCA is introducing anti-greenwashing rules, as well as naming and marketing rules. The latter will allow firms to promote non-labelled funds with ESG characteristics and was not included in earlier consultations.

While all authorised firms will need to comply with the anti-greenwashing rules, the labelling will not apply to overseas funds and pensions (or portfolio services initially). However, you may well still see the terminology, if not the labels, used in these solutions as it helps with understanding, which is a Consumer Duty requirement

Income in retirement advice

At the same time as issuing the Thematic Review of Retirement Income Advice on 20 March 2024, the FCA published a Dear CEO letter to regulated firms providing income in retirement guidance. In essence, it set them three objectives:

- Take steps to address issues raised in the thematic review, in particular areas highlighted as areas for improvement
- Use the Retirement Income Advice Assessment Tool (RIAAT)
- Use cash flow modelling and follow its guidance on them.

The RIAAT is a list of requirements to give suitable advice.

In addition, completing it allows cash flow modelling to be undertaken which can help evidence suitability. It can also improve client understanding, which is one of the four outcomes required by the Consumer Duty.

The FCA stated that cash flow modelling 'can be a key step in providing suitable advice. It is used to project the income flows that different assets could generate and compare these with the client's estimated retirement needs.'

Defaqto Engage users have access to cash flow modelling

Regulatory update

Accumulation and decumulation require different investment strategies

It has been well documented by Defaqto and others that both the order of returns and their volatility are important in the decumulation phase, ie when regular income is being taken from a fund.

Poor returns early in the decumulation phase, along with higher volatility, are more likely to lead to an investor exhausting their capital, and therefore income, earlier in their retirement. This is because once income is taken and spent in the early years, there is no longer the chance to recoup the loss on that part of the investment through higher returns in later years.

This risk of poor returns earlier in the investment period rather than later is known as sequencing risk. In the accumulation stage, however, the order of returns does not matter as regular income is not being taken from the investment. An accumulation process has a focus on maximising expected returns for a given level of total return volatility.

In the decumulation stage, on the other hand, the following variables need to be considered:

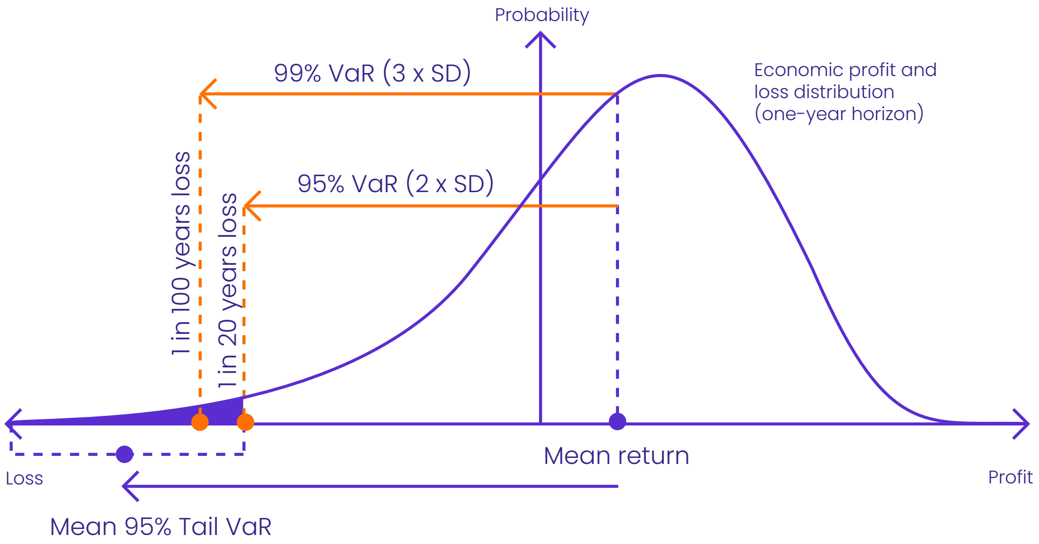
Investment value	Withdrawal value	Duration	Sequencing risk	Residual capital
Initial investment amount and any top-ups.	The amount the client wishes to take from the fund on a regular basis.	The length of time over which the investor wishes to receive withdrawals with a predefined percentage of certainty.	The long-term impact of poor performance, particularly in the early years when income is being withdrawn.	The required/ expected value at the end of the duration.

Regulatory update

How Defaqto views the decumulation process

Defaqto's decumulation process focuses on achieving the longest duration, with 95% certainty, for given levels of withdrawal and sequencing risk. Defaqto's proxy for sequencing risk is the one-year 95% Tail Value at Risk (TVaR). This is the average of the worst 5% of the fund's returns over a one-year period (with this worst 5% being represented by the blue area in the bottom left corner of Figure 1).

Figure 1: Tail Value at Risk



Source: Defaqto

Regulatory update

Defaqto risk assessment – accumulation

Defaqto's accumulation Risk Ratings allow advisers to assess multi-asset funds in terms of their risk and hence suitability for each client in the accumulation stage of their investment cycle.

Each rating corresponds to an accumulation Defaqto Risk Profile from 1 to 10 (with the risk profile based on an individual's attitude to risk, capacity for loss and required return), where 10 is the riskiest and 1 is the least.

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Defaqto Accumulation Risk Ratings are reached by:

- Looking at the fund's projected volatility (standard deviation) using its asset allocation (both strategic asset allocation (SAA) and tactical asset allocation (TAA)) and assumptions for the future returns, volatilities and co-movements of the asset classes it holds
- Consultation with the manager of the fund.

Finally, the risk level of each fund is mapped onto a scale of volatility bands, where 10 is the riskiest and 1 is the least, to give the fund its Defaqto Risk Rating.

Defaqto risk assessment – decumulation

Defaqto has a workflow that enables advisers to extract their client's decumulation mandate and find suitable multi-asset funds to meet it.

A fund will be mapped onto one of three different sequencing risk levels – low, medium or high – and this mapping is reached by:

Historical returns	Projected TVaR
Looking at the fund's returns, in particular the worst one-year performance since inception, where past returns' data is available and relevant.	Looking at the 95% level using its asset allocation and assumptions for the future returns, volatilities and co-movements of the asset classes it holds.

The highest forecast TVaR and the worst one-year historic return are used to assign an initial sequencing risk to the fund, and the final sequencing risk is agreed after discussion with the manager.

The level of sequencing risk is then used in conjunction with the fund's SAA and TAA, plus costs, together with projections from a stochastic model, to determine which income drawdown mandates the fund can meet.

This analysis is completed for both nominal and real (inflation adjusted) income and is illustrated in Figure 2 for a fund with low sequencing risk. Withdrawal rate is on the vertical axis and duration in years is on the horizontal axis.

It should be emphasised that this is just a conceptual diagram and is not meant to represent actual possible withdrawal rates for any sequencing risk or duration.

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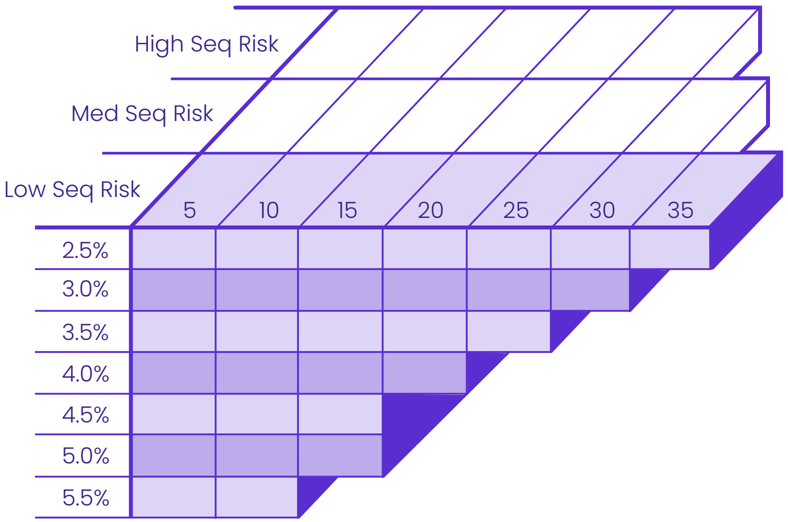
Regulatory update

Defaqto risk assessment – decumulation (cont.)

Figure 2: Illustration of longest possible durations (at the 95% level) for various withdrawal rates, for a low sequencing risk fund



Source: Defaqto

This is then matched with client mandates in Defaqto's advice workflow. The fund is only available for clients in income drawdown scenarios where the portfolio can achieve the client mandate with 95% certainty.

In Figure 2, a duration of 15 years would be possible (with 95% confidence) with a withdrawal rate of 4.5%, but a duration of 20 years would be highly unlikely with that withdrawal rate.

Q1 What type of funds are they?

The Risk Managed PruFund and PruFund Planet ranges consist of five multi-asset portfolios, with expected risk and return increasing throughout the fund 'family'. The number at the end of the fund name indicates the relative risk position, with 5 offering the highest potential risk and return, and 1 the lowest.

Sitting alongside this range are the PruFund Cautious and PruFund Growth funds. In parallel with the Risk Managed PruFund and PruFund Planet ranges, Prudential also offers the Risk Managed Active and Risk Managed Passive fund families. Each of these contains five funds as well, with expected risk and return increasing through the range.

These funds are primarily only available through product wrappers, although PruFund Growth, PruFund Cautious, PruFund Planet and the PruFund Risk Managed ranges are available on the M&G Wealth Platform.

All of the PruFolio funds aim to achieve long-term total returns (ie providing a combination of income and growth of capital) by investing mainly in collective investments. All three ranges manage risk by limiting the volatility of each fund to be at or below a certain level. The funds in the Risk Managed PruFund range, PruFund Planet, plus PruFund Cautious and PruFund Growth also involve some smoothing (refer to **Q7**).

Another key difference between the PruFunds and the Risk Managed Active and Passive funds is that the PruFunds are only available via product wrappers (refer to **Q8** for details), whereas the Risk Managed Active and Passive funds are also available as collective investments – open-ended investment companies (OEICs) – on various fund platforms. Accessibility is covered in more detail in **Q8**.

There are over 60 variations of PruFunds in total, structured for the different product wrappers and in some cases with different currency and series within each wrapper (refer to **Appendix 2**).

Q1 What type of funds are they?

Defaqto risk assessment – accumulation

Figure 3 shows where the various PruFunds sit in comparison to each other and on the Defaqto risk assessment tool for accumulation.

Figure 3: PruFund funds mapped to Defaqto risk ratings

Low Risk									**High risk**
Bank Account Cash	defaqto 2 RISK RATED	defaqto 3 RISK RATED	defaqto 4 RISK RATED	defaqto 5 RISK RATED	defaqto 6 RISK RATED	defaqto 7 RISK RATED	defaqto 8 RISK RATED	defaqto 9 RISK RATED	defaqto 10 RISK RATED
	Risk Managed PruFund 1	Risk Managed PruFund 2	Risk Managed PruFund 3	Risk Managed PruFund 4	Risk Managed PruFund 5				
	PruFund Planet 1	PruFund Planet 2	PruFund Planet 3	PruFund Planet 4	PruFund Planet 5				
		PruFund Cautious		PruFund Growth					

Source: Defaqto

Defaqto risk assessment – decumulation

In the case of Defaqto's decumulation risk ratings, all of the PruFunds are categorised as low sequencing risk, with the exception of Risk Managed PruFund 4 and 5 and PruFund Planet 4 and 5. These have been mapped as medium sequencing risk.

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Q2 What are the aims of the PruFunds and how have they performed?

Aims and objectives

PruFund Cautious	PruFund Growth
Aims for steady and consistent growth over the medium to long term (5–10 years or more) through a cautious approach to investing. It invests in a range of international equities, property, fixed interest securities, cash and other specialist investments, by investing in the Prudential With-Profits Fund. This gives the advantages of a well-balanced mix of investment with some smoothing of investment returns. The fund will aim to invest 50–75% in fixed interest securities and cash, although may occasionally move outside this range to meet the fund objectives.	Aims to maximise growth over the medium to long term (5–10 years or more), while helping to smooth the ups and downs of investment performance. It invests in a range of international equities, property, fixed interest securities and other specialist investments, by investing in the Prudential With-Profits Fund. This gives the advantage of a well-balanced mix of investments, with some smoothing of investment returns.

Risk Managed PruFund 1	Risk Managed PruFund 2	Risk Managed PruFund 3	Risk Managed PruFund 4	Risk Managed PruFund 5
Aims to achieve long-term total return (the combination of income and growth of capital). The fund is actively managed and aims to limit the fluctuations ('volatility') of the investment experience, after allowing for smoothing, **to 9% pa over the medium to long term**.	Aims to achieve long-term total return (the combination of income and growth of capital). The fund is actively managed and aims to limit the fluctuations ('volatility') of the investment experience, after allowing for smoothing, **to 10% pa over the medium to long term**.	Aims to achieve long-term total return (the combination of income and growth of capital). The fund is actively managed and aims to limit the fluctuations ('volatility') of the investment experience, after allowing for smoothing, **to 12% pa over the medium to long term**.	Aims to achieve long-term total return (the combination of income and growth of capital). The fund is actively managed and aims to limit the fluctuations ('volatility') of the investment experience, after allowing for smoothing, **to 14.5% pa over the medium to long term**.	Aims to achieve long-term total return (the combination of income and growth of capital). The fund is actively managed and aims to limit the fluctuations ('volatility') of the investment experience, after allowing for smoothing, **to 17% pa over the medium to long term**.

Q2 What are the aims of the PruFunds and how have they performed?

Aims and objectives (cont.)

PruFund Planet Fund Range
The PruFund Planet range was launched in 2021; refer to **Q6** for more details. It consists of five risk managed funds with the same volatility objectives as the Risk Managed 1–5 funds above but with additional objectives. Aims to achieve a total return from income and capital over the medium to long term (at least 5–10 years), while aiming to deliver positive environmental and societal outcomes in addition to financial returns. These funds that invest across the spectrum of positive outcomes have three additional fundamental objectives: 1. Mitigating environmental, social and governance risks and minimising negative outcomes 2. Pursuing environmental, social and governance opportunities 3. Investing in positive outcomes for disadvantaged groups or stakeholders.

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Q2 What are the aims of the PruFunds and how have they performed?

Sequence and inflation risk

Both the order of returns and their volatility are important in the decumulation phase. Poor returns early in the decumulation phase, along with higher volatility, are more likely to lead to an investor exhausting their capital and income earlier in their retirement and could result in them running out of income and capital when they still need it.

In addition, those taking income from their savings will need both the investment and the income it produces to increase by at least the rate of inflation each year to maintain the buying power of their money. As a result, some form of protection against inflation should be considered critically important to avoid a decrease in their standard of living in retirement.

Therefore, funds that have very low volatility yet still contain a significant proportion of asset classes with higher expected returns will be most effective in terms of reducing both sequencing and inflation risk. These – especially the smoothing mechanism – will lessen their volatility.

In the Risk Managed PruFund 3, for example (the fund in the middle of the risk range and shown in Figure 4), 30% of the portfolio is invested in traditional equities, which have been shown to be the highest returning mainstream asset class over long historical periods. A further 12.6% is invested in property, which is also seen by many as a 'growth asset' over time. These should help to mitigate the risk of inflation.

The Consumer Duty contains cross-cutting obligations for firms to act in good faith towards retail customers and avoid causing foreseeable harm to them.

Smoothed funds can help do this.

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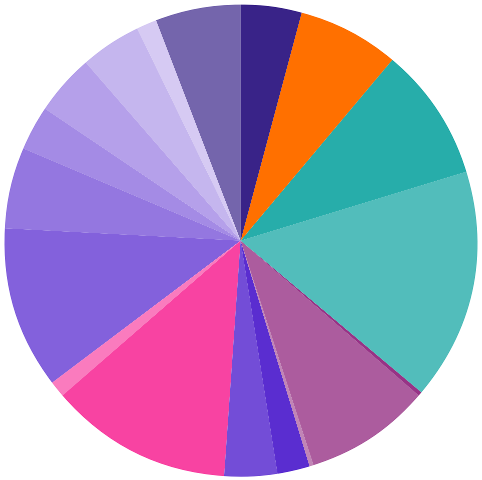
Q2 What are the aims of the PruFunds and how have they performed?

Sequence and inflation risk (cont.)

Figure 4: Risk Managed PruFund 3 asset allocation



Cash	4.5%	Commercial Property	12.6%
UK Corporates	6.9%	Hedge Funds	1.0%
Global (ex-UK) Fixed Income	9.0%	UK Equity	11.2%
Global (ex-UK) Fixed Income Hedged	16.0%	US Equity	5.6%
Senior Loans	0.2%	Japan Equity	3.0%
High Yield Debt	8.8%	European Equity	4.1%
Infrastructure Debt	0.2%	Asia Pacific (ex-Japan) Equity	4.3%
Infrastructure Equity	2.0%	Emerging Markets Equity	1.4%
Private Equity	3.6%	Other	5.7%

Source: Prudential (but using Defaqto asset classes), 31 March 2024

Q2 What are the aims of the PruFunds and how have they performed?

Performance

Figures 5 to 8 show the performance of the various PruFunds against the appropriate Investment Association (IA) sector and, in the cases of the higher risk funds, versus the FTSE All Share index as well. Risk Managed PruFund 5 is relatively new, so its performance is not shown.

Figure 5: PruFund Cautious and IA Mixed Investment 0-35% Shares performance

Source: Prudential June 2024

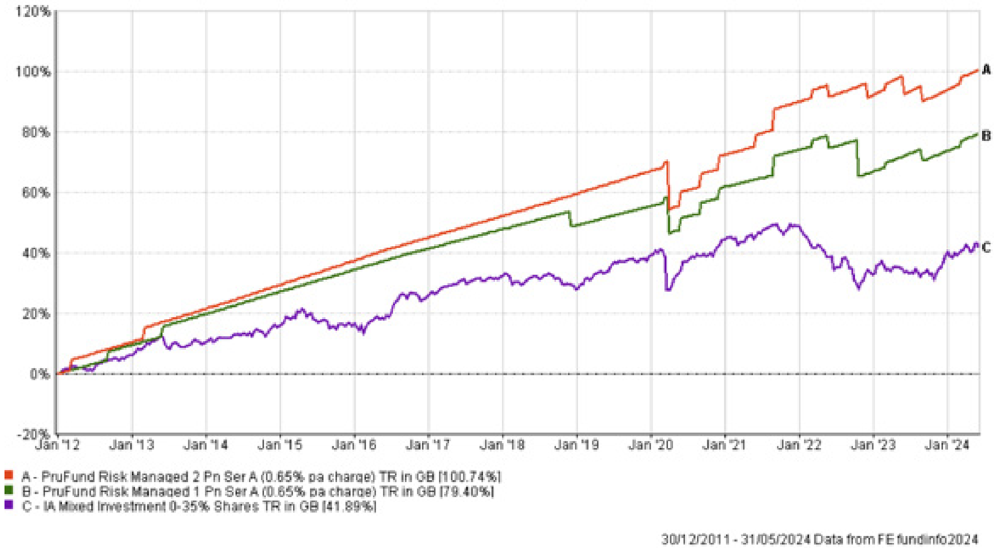
Figure 6: PruFund Growth, IA Mixed Investment 20-60% Shares and FTSE All Share performance

Source: Prudential June 2024

Q2 What are the aims of the PruFunds and how have they performed?

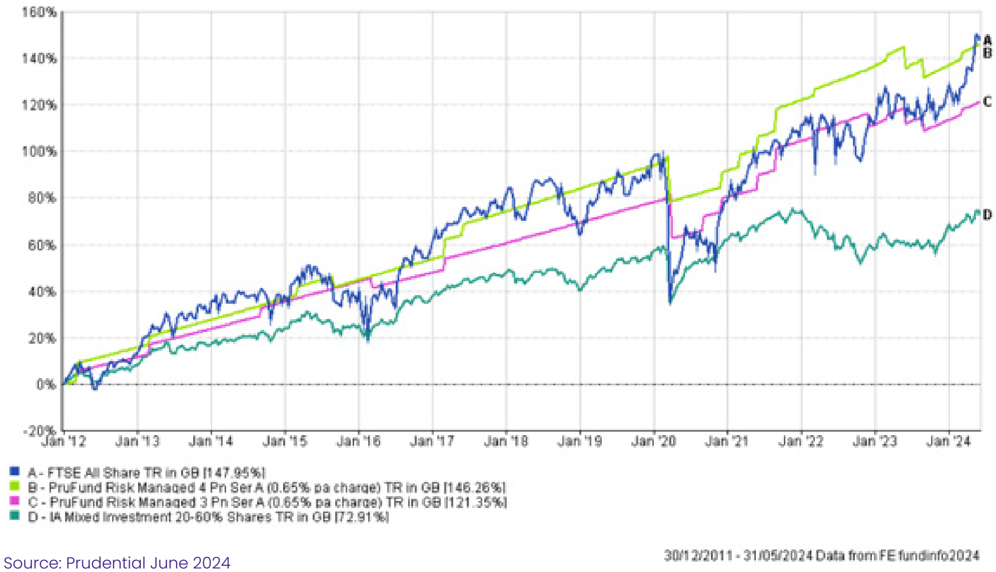
Performance (cont.)

Figure 7: Risk Managed PruFund 1, Risk Managed PruFund 2 and IA Mixed Investment 0-35% Shares performance



Source: Prudential June 2024

Figure 8: Risk Managed PruFund 3, Risk Managed PruFund 4, IA Mixed Investment 20-60% Shares and FTSE All Share performance



Source: Prudential June 2024

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Q3 Who is the team behind the PruFunds?

The M&G Treasury & Investment Office (T&IO) is the in-house investment strategist and 'manager of managers' for Prudential Assurance Company (PAC) in the UK.

It is independent of the various underlying asset management businesses within the M&G group. T&IO is responsible for approximately £153bn AUM, as at the end of December 2023, across a range of multi-asset investment solutions and other PAC products.

T&IO includes investment professionals with expertise in capital market research, investment strategy design, liability management, derivatives and portfolio management.

T&IO is responsible for the strategic allocation of all M&G Wealth and Prudential multi-asset funds, in addition to selecting and overseeing all underlying fund managers. They are also responsible for ensuring that the risk characteristics of each portfolio meet given objectives over time. Stock selection is delegated to internal and external fund managers chosen for their strengths in specific asset classes.

Long-Term Investment Strategy (LTIS)	Portfolio Management	Manager Oversight

LTIS consists of 13* people with economic and/or quantitative backgrounds, and Manager Oversight comprises 10* individuals.

There is a team of 9* portfolio managers and analysts behind the multi-asset portfolios and funds of funds overseen by the T&IO.

* as at end 2023.

Q3 Who is the team behind the PruFunds?

Key individuals behind the PruFunds investment team

Ciaran Mulligan, Co-head of Treasury and Investment Office, joined in May 2015 having previously led the Manager Oversight team. Prior to joining, Ciaran worked at Buck Consultants investment consultancy as Head of Global Research and was Head of Research and Portfolio Manager for Fixed Income Strategies at Investment Solutions (part of the Alexander Forbes group).

Simon Iversen, Co-head of Treasury and Investment Office, joined the company in 2004 having previously led the Annuity team within the Treasury & Investment Office. He has previously worked in a variety of roles at M&G and Prudential, including actuarial, risk, capital and finance. Simon holds an MA in Economics from the University of Cambridge and is a Fellow of the Institute of Actuaries.

Parit Jakhria, CFA, Director of Long-Term Investment Strategy (LTIS), is part of the team responsible for the management and oversight of Prudential Assurance Company's (PAC) range of funds. He is head of the LTIS team and a member of the T&IO Executive Committee, responsible for setting the T&IO's long-term investment strategy, which includes the strategic asset allocation for all multi-asset and annuity funds and providing advice on hedging and Asset and Liability Management strategies. Previous responsibilities include calculating the regulatory capital requirements for Prudential UK & Europe and creating Prudential's in-house Economic Scenario Generator (ESG) framework. Parit is a Fellow of the Institute and Faculty of Actuaries and a CFA Charterholder.

Q3 Who is the team behind the PruFunds?

Key individuals behind the PruFunds investment team

Ben Hamilton – Head of Investment Manager Oversight. Ben joined the T&IO in May 2016 from M&G's Graduate Scheme, having rotated within the team as part of the scheme. Ben focused on manager research and multi-manager portfolio construction across both public and private markets before stepping up to lead the team in 2024. The team is responsible for manager selection and assessing the ongoing suitability of the managers used by the T&IO. They also lead the mandate design process ensuring that mandates are designed to capture the skill sets of underlying managers and are positioned in a way to achieve the outcomes for the multi-asset funds which the T&IO have responsibility for. Finally they blend managers together into multi-manager solutions that can then be used across the multi-asset fund ranges. Ben studied History at Durham University and is a CFA Charterholder.

Jin Wee Tan, Head of ESG & Regulatory Team, Treasury and Investment Office, has led the ESG & Regulatory team for four years. He has worked at the nexus of life insurance and asset management for many years, and has previously held roles in investment, asset allocation, operations and projects. Jin Wee holds a first class degree in Economics from the London School of Economics, and is a CFA Charterholder.

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Q4 What are the key due diligence points?

Advisers are expected to carry out due diligence on the providers who offer the products into which they plan to invest their clients' money. This is required on an initial and ongoing basis.

Target market

This information is provided to help not only with suitability but also data reporting as required under MiFID II, PROD, the Consumer Duty and the anticipated Value for Money rules.

Advisers who have categorised their clients using the same methodology as the providers they recommend will gain the most from this. Table 1 shows the target markets for the PruFund range and Prudential products.

Table 1: Target markets for the PruFund range and Prudential products

Yes

No

		PruFund	Pru ISA	Pru Retirement Account	Pru Trustee Investment Plan	Pru Investment Plan	Pru International Investment Bond	Pru International Portfolio Bond
Distribution channels	Execution only	Yes	No	No	No	No	No	No
	Non-advised/ Guided	Yes	No	No	No	No	No	No
	Advised	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Portfolio Management	No	No	No	No	No	No	No
Client type	Retail	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Professional	No	No	No	Yes	Yes	No	No
	Eligible counterparty	No	No	No	No	No	No	No
Knowledge/ experience	Basic	Yes	Yes	Yes	No	Yes	Yes	No
	Informed	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Advanced	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ability to bear loss	Zero	No	No	No	No	No	No	No
	Limited loss	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	No guarantees	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	More than 100%	No	No	No	No	No	No	No
Needs and objectives	Capital preservation	No	No	No	No	No	No	No
	Capital growth	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Income	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Time horizon	Under 1 year	No	No	No	No	No	No	No
	1-2 years	No	No	No	No	No	No	No
	3-4 years	No	No	No	No	No	No	No
	5 years or more	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Q4 What are the key due diligence points?

Financial strength

Financial strength is seen as one of the key areas of due diligence when assessing the safety and security of a client's investment.

While the Financial Services Compensation Scheme (FSCS) exists to provide consumer protection, it doesn't include international bonds.

Advisers also need to consider the impact of financial failure on the service and access to wealth.

AKG is an actuarial organisation specialising in the provision of independent ratings to the financial services industry. In 2023 AKG was acquired by Defaqto and maintains its impartiality.

AKG ratings measure the financial strength of life and pension providers, though some consideration is also given to the commitment to a market and the wider parent ownership structure (refer to Table 2). These ratings are quite different from those issued by Moody's, Fitch and Standard & Poor's, which are credit ratings.

Table 2: AKG Financial strength ratings

Provider	Product	AKG Financial Strength Rating
Financial Strength Rating	Pru ISA	AKG B+ FINANCIAL STRENGTH RATED OFFSHORE SECTOR VERY STRONG PRUDENTIAL INTERNATIONAL ASSURANCE PLC
	Pru Retirement Account	
	Pru Trustee Investment Plan	
	Pru Investment Plan	
Prudential International	Pru International Investment Bond	AKG B+ FINANCIAL STRENGTH RATED OFFSHORE SECTOR VERY STRONG PRUDENTIAL INTERNATIONAL ASSURANCE PLC
	Pru International Portfolio Bond	

Q4 What are the key due diligence points?

Service

The Consumer Duty requires advisers to consider service with a view to the fair value being provided.

Independent service surveys can help the adviser to understand how a provider is likely to perform in key areas of service. Combined with personal experience, they provide an excellent indication of how good a provider service is.

Each year Defaqto carries out a service satisfaction survey for pensions and investment bonds, asking advisers for their views on the services they have received from providers.

The survey is split into different categories from new business to existing business aspects of service. The total then translates to an overall service rating of Gold, Silver, or not rated (refer to Table 3).

Table 3: Service ratings

Provider	Product	AKG Financial Strength Rating
Prudential	Pru Retirement Account	defaqto GOLD Pension Service 2024 EXPERT RATED
	Pru Trustee Investment Plan	
	Pru Investment Plan	
Prudential International	Pru International Investment Bond	defaqto GOLD Investment Bond Service 2024 EXPERT RATED
	Pru International Portfolio Bond	

In 2023, both the pension and investment bond business units received Silver ratings, therefore it is encouraging to see improvements in their 2024 ratings.

Q4 What are the key due diligence points?

PruFunds and the Consumer Duty

In this section we look at the four outcomes of Consumer Duty and how the Prudential and the PruFunds can help advisers meet their obligations.

The Consumer Duty came into effect on 31 July 2023, which introduced a new outcomes based regulatory framework with 'good outcomes' being at the heart of the new framework.

The Duty sets higher and clearer standards of consumer protection across financial services, requiring firms to put their customers' needs first. This is underpinned by the 'Consumer Principle', 'Cross-cutting rules' and 'The four outcomes'. We have selected some of the key points of the Consumer Duty to highlight the requirements the Prudential is working under so that advisers can identify how the PruFunds can help them meet the same expectations.

Consumer Principle

The overarching principle of the Duty is to deliver good outcomes for the consumer. This is the mission of the Duty in which the cross-cutting rules and the four outcomes are designed to achieve good outcomes for the consumer.

Cross-cutting rules

- Act in good faith towards retail customers
- Avoid foreseeable harm
- Enable and support retail customers to pursue their financial objectives.

Q4 What are the key due diligence points?

The four outcomes

The Duty focuses on four outcomes that cover key elements of the firm and consumer relationship:

Products & services	Price & value	Consumer understanding	Consumer support

Products & services	Price & value
Products and services for consumers to be fit for purpose; designed to meet the needs, characteristics and objectives of a target group of customers and distributed appropriately. This means that those advisers who have segmented their clients using the same categories as the Prudential will find initial and ongoing suitability are much easier to evidence as their objectives are aligned.	Firms to assess their products and services to ensure there is a reasonable relationship between the price paid for a product or service and the overall benefit a consumer receives from it. While the appropriateness of price and level of value provided are somewhat client specific and therefore subjective assessments, the FCA has placed a requirement on providers to be competitive (not necessarily the cheapest) on an ongoing basis. In addition, the choice of smoothed funds, of which the PruFunds range is one, is relatively small and so making comparisons should be relatively easy and result in making this sector more competitive.

Q4 What are the key due diligence points?

The four outcomes (cont.)

Consumer understanding	Consumer support
Firms to ensure that communications support and enable consumers to make informed decisions about financial products and services. Communications can be more effective when they meet the following points: • layering • engaging • relevant • simple • well timed. This means that where there is target market compatibility, advisers should have confidence in using the PruFunds literature and tools with their clients. In addition, advisers should be mindful that when working with more vulnerable clients they may have to seek more personal (tailored) communications.	To provide a level of support that meets consumers' needs throughout their relationship with the firm. FCA rules require firms to: • design and deliver support that meets the needs of customers, including those with characteristics of vulnerability • ensure that customers can use their products as reasonably anticipated • ensure they include appropriate friction in customer journeys to mitigate the risk of harm and give customers sufficient opportunity to understand and assess their options, including any risks • ensure that customers do not face unreasonable barriers (including unreasonable additional costs) during the lifecycle of a product or service • monitor the quality of the support they are offering, looking for evidence that may indicate areas where they fall short of the outcome, and act promptly to address these • ensure they do not disadvantage particular groups of customers, including those with characteristics of vulnerability. Again, this means that where there is target market compatibility, advisers should have confidence in using the PruFunds consumer support for their clients.

Q4 What are the key due diligence points?

Actions in the industry as a result of the Duty

In February 2024 the FCA published its latest findings on good practice and areas for improvement since the Duty was introduced in July 2023.

The Duty has seen firms:

- Accelerate business changes to deliver better customer outcomes
- Increase focus on the customer at board level
- Update staff bonus structures to ensure incentivisation is in line with the end consumer's best interests
- Carefully and precisely defining the target market for the products they sell
- Simplifying products
- Reducing or removing charges for certain products where these were deemed too high relative to the benefits provided
- Moving investment clients away from more expensive options to simpler better value and more appropriate solutions.

Q4 What are the key due diligence points?

PruFunds and the FCA Thematic review of retirement income advice

On 20 March 2024 the FCA published its findings from their review of retirement income advice.

The FCA found examples of both good and poor practice across the market. Some firms showed they had considered their customers' needs and had designed their advice model in a way likely to lead to good outcomes. However, the FCA saw that others may not be meeting the needs of their customers, potentially leading to poor outcomes. The FCA also recognised that its findings are relevant to firms providing personal recommendations on investments more broadly.

The FCA vision is that consumers can:

- get the help they want, at the time they need it, and at a cost that is affordable
- invest with confidence, understanding the risks they are taking, and the regulatory protections provided
- access and identify investments that suit their attitude to risk and circumstances
- be better protected from scams.

The core features they want to see are:

- accessible support
- diverse products and services
- a realistic approach to risk (ensuring consumers can distinguish between legitimate investment risk and fraudulent products)
- useful information for consumers and appropriate protections where something has gone wrong.

Both the Prudential and their PruFund range are well placed to help advice firms meet the FCA's vision and features. More information can be accessed here www.mandg.com/dam/pru/shared/documents/en/genm100780204.pdf

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Q5 What is the investment process behind the PruFunds?

The process can be broken down into seven sections, which we will consider in turn.

A	B	C	D	E	F	G
SAA Strategic asset allocation	TAA Tactical asset allocation	Fund and mandate selection and manager oversight	Portfolio management	Risk management	Liquidity management	ESG integration

A. Strategic asset allocation (SAA)

The SAA is set by the LTIS team, part of the T&IO. The SAA is based on the investment objectives, available asset classes, liquidity requirements and cost constraints.

The team produces a set of capital market assumptions for future expected returns, volatility and correlation of different asset classes. This is completed with historical data, forward-looking analysis, and internal and external research.

The LTIS team then uses a proprietary Economic Scenario Generator 'GeneSIS' to carry out stochastic modelling based on the assumptions, developing a recommended asset allocation.

The capital market assumptions underlying the SAA allow for each of the ESG factors in the country risk categorisation system and, as such, are allowed for in the risk–return budgeting. Equally, if not more important, there is an overall policy around exclusions as well as ESG factors used within bottom-up stock selection by the delegated managers.

Q5 What is the investment process behind the PruFunds?

B. Tactical asset allocation (TAA)

The multi-asset team within M&G Investments is responsible for the TAA decisions within the PruFunds. The CIO, Dave Fishwick, has run a TAA mandate for Prudential since 1999.

The strategy employed within the TAA mandate is based on two key beliefs:

1. that investors are consistently surprised by markets
2. that they are consistently prone to overreacting to these surprises.

In practice, if the team believes a sell-off in equity markets has been driven by investor fear but fundamentals are still strong, it will view this as a strong buy signal.

The team describes these scenarios as 'episodes' which can be short-lived or last several years. Alongside this 'behavioural' approach the team also has a longstanding valuation framework which helps it assess and understand the long-term value of an asset class before any investment is made. In essence the team considers four key factors:

Momentum	Sentiment	Valuation	Diversification

The team generally implements its strategy through taking more macro long/short positions in regional market indices and bonds. However, if the team feels that a specific sector looks particularly over/undervalued, then it will take a position.

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Q5 What is the investment process behind the PruFunds?

C. Fund and mandate selection and manager oversight

Underlying manager selection is carried out across the PruFunds by the Manager Oversight team within the T&IO.

The due diligence process combines quantitative factors, including measures of performance and holdings analysis, with qualitative analysis focused on the business, people, philosophy and processes associated with the fund and the fund management team.

In addition, the team analyses the key risks within each underlying fund, such as exposure to a single stock, sector or country.

The process operates at various levels:

1. Monthly monitoring	2. Quarterly strategy and performance review	3. Ongoing investment due diligence
Where the underlying managers' key holdings and exposures are reviewed, and a performance and attribution analysis is generated.	Where the managers are met in person or by video, with each submitting a Data Request Book prior to this quarterly meeting that provides the manager's own performance data, risk metrics, market outlook, attribution and ESG considerations.	Where the Manager Oversight team conducts onsite meetings with all of the underlying managers, covering investment activity and performance; interaction within and between the various investment teams; and other functions such as risk and operations.

The team's initial and ongoing due diligence processes also incorporate assessment and challenge of each manager's ESG and sustainability policies, intentions and how these inform the investment decisions.

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Q5 What is the investment process behind the PruFunds?

D. Portfolio management

Portfolio management responsibilities can be split into the following areas:

Keeping the funds in shape	Implementation	Operational management	Portfolio monitoring	Liquidity
Ensuring the portfolios are managed in line with target exposures and limits while minimising cost and risk, and managing cash flows and other fund dynamics.	Ensuring changes in the SAA are implemented effectively and efficiently.	Preparing and reviewing trade instructions to minimise operational errors.	Reviewing on an ongoing basis exposures, risks and performance in conjunction with the T&IO Risk and Manager Oversight sub-teams.	Managing and reporting on liquidity to ensure that outflows can be covered in stressed scenarios.

In building a portfolio, the portfolio managers bring together the SAA, TAA, preferred fund managers, portfolio risk limits and cost budget.

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Q5 What is the investment process behind the PruFunds?

E. Risk management

The Risk and Compliance function operates with three lines of defence. Its role and purpose is to challenge risks effectively and proactively as well as to add value by providing enhanced business insights to support the delivery of customers' long-term needs.

Within this model, risk is considered from many different perspectives, for example:

Investment risk	Credit risk	Liquidity risk
The impact that market movements can have on the portfolio and the risk of failing to meet stated performance objectives.	Where counterparties could potentially default, or fixed income portfolios become overexposed to a single issuer.	Portfolios are stressed and a liquidity coverage ratio (LCR), which is the amount of highly liquid assets held by financial institutions to meet short-term obligations, is reported.

This liquidity analysis is particularly important as the fund can, and does, invest in alternative assets, which can have lower liquidity profiles than many more traditional asset classes. For example, the funds can hold private equity, infrastructure, hedge funds and alternative credit.

Finally, there is a team responsible for monitoring operational risk, which is the risk of failure within investment processes, including people or anything from systems' malfunction to fraud or input error.

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Q5 What is the investment process behind the PruFunds?

F. Liquidity management

The LCR refers to an assessment of the amount of liquid assets held by financial institutions to meet short-term obligations, with a figure above 100% demonstrating strong liquidity.

The Prudential With-Profit Life Fund has a different structure and investment process/philosophy to most other multi-asset and single strategy funds, with a long-term investment outlook which drives the fund's SAA as well as the nature and type of the clients/customers who invest in the fund.

With the longer-term outlook, Prudential can invest not only in the traditional public listed asset classes but also in private and illiquid assets such as property and diversifying strategies/alternatives. This means that it will be difficult to compare the liquidity of the fund versus its competitors.

PAC is required to hold an amount of liquid assets, such as equity, cash, gilts or corporate debt, equal to or greater than their cash and collateral outflows under stressed conditions. PAC produces stresses over multiple time periods – 1 month, 3 months, 6 months and 1 year, to check that liquid assets are sufficient to cover outflows in adverse market conditions.

These calculations are formally carried out each quarter. The most recent results have LCRs well in excess of 100%. These results are reported into the Executive Investment Oversight Committee and Executive Risk Committee.

Other teams and committees are also involved in monitoring and assessing liquidity:

- T&IO portfolio management teams monitor asset/risk exposures and liquidity of underlying funds on a day-to-day basis
- In addition, in forming its advice to the PAC Board, the independent With-Profits Committee considers any significant changes to the risk or investment profile of the fund, including the management of material illiquid risk and PAC's obligations in relation to strategic investments.

G. ESG integration

M&G plc is embedding ESG across everything it does, including the way it manages assets (refer to **Q6** for more detail).

Q6 Are ESG factors considered in the management of the PruFunds?

An important aspect of how Prudential manages the PruFunds is the integration of ESG factors into investment decisions, which it believes can help better manage risks and generate sustainable, long-term returns for customers.

ESG considerations have been embedded in many of the underlying investment processes for the PruFund range for a number of years.

Listed company

M&G plc is embedding ESG across everything it does, from the way it manages assets to how it operates as a business. It looks to embody the behaviours and practices that enable its business to operate sustainably over the long term. As long-term investors, it believes that ESG factors should be considered in addition to and alongside the more traditional financial metrics – M&G believes that companies which capture and embed ESG opportunities and risks into their strategy are more likely to be successful.

M&G plc has identified two ESG priorities of Climate Change and Diversity and Inclusion, given their importance for the long-term sustainability of all businesses and society as a whole. It aims to be net zero carbon as a corporate entity by 2030. Further, it aims to achieve 40% female and 20% ethnicity representation in its leadership[1] by 2025.

M&G plc has joined the Powering Past Coal Alliance and announced the M&G plc position on thermal coal, which places restrictions on coal-related investments and seeks to support the phasing out of the use of thermal coal by 2030 in OECD and EU countries, and by 2040 in the rest of the world.

1. In this context, 'leadership' refers to members of the Executive Committee and their direct reports.

Q6 Are ESG factors considered in the management of the PruFunds?

Asset owner policies

PAC is a signatory to the UN Principles of Responsible Investment (PRI) and the UK Stewardship Code as an asset owner.

PAC aims to achieve net zero carbon emissions across assets under management and administration by 2050, of which the PruFund range is a material part, in line with the Net Zero Asset Owners Alliance.

M&G's T&IO is also evolving its asset owner policies to reflect the importance of ESG factors in mandate design, manager selection and oversight – functions performed by the Manager Oversight team.

The scale of the PruFunds allows the team to use segregated mandates to apply a variety of implementation techniques for its ESG views, up to and including exclusion of certain stocks or sectors from portfolios.

The Asset Owner policy currently prohibits investment in certain companies linked to the development or distribution of particular controversial weapons, including internationally banned biological and chemical weapons, non-detectable fragments, depleted uranium munitions, cluster munitions and anti-personnel mines. This policy also extends to companies found to have aided in breaches of the nuclear non-proliferation treaty.

Other positions are in the implementation phase, including an exclusionary thermal coal policy and a UN Global Compact Violators policy. This could be broadened to other sectors or companies based on evolving ESG views or may include the setting of specific targets to manage certain exposures.

Asset managers

Underlying funds in the PruFund range are managed by several internal and external managers, of whom 97% are signatories to the UN PRI.

M&G's T&IO looks to the asset managers it selects to:

1. Engage with companies as active owners that help foster a more sustainable economy
2. Participate in voting on key issues such as climate
3. Ensure that ESG is integrated into their investment processes.

The majority of PruFund assets are managed by M&G, whose Responsible Investment team provides issuer and sector specific ESG risk and opportunity analysis and education on sustainability themes to portfolio managers and analysts. They also lead on company engagement on a cross-asset class basis.

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Q6 Are ESG factors considered in the management of the PruFunds?

The PruFund Planet range

PruFund Planet is a range of five funds, each with its own risk profile, which seek to deliver positive environmental and societal outcomes, with similar expected longer-term returns, cost and volatility to the existing PruFund ranges. They are globally diversified across equities, fixed income, property and alternatives, and predominantly invest in underlying funds that are not present in Prudential's existing PruFund ranges.

M&G plc has leveraged existing experience across the business in ESG research and investing, asset allocation, manager selection, portfolio management and smoothing. Prudential uses the same team and processes that back the existing PruFund range of funds (£61bn as of 31 December 2023). The modelling that drives the SAA across the portfolios is proprietary and has been developed over nearly 20 years.

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Q6 Are ESG factors considered in the management of the PruFunds?

What is the target market for the PruFund Planet range?

The target market is those clients who want to know that their savings are creating positive outcomes for the environment and society but who also want a smoothed investment experience.

How is this going to be achieved?

With the flexibility to invest across a broad spectrum of positive outcomes (ie responsible, sustainable and impact), and with access to a globally diverse range of private and public markets, across multiple asset classes and regions, PruFund Planet looks to manage ESG risks, pursue ESG opportunities and create high impact solutions that contribute to pressing social or environmental issues.

Importantly, the T&IO believes no financial trade-off is required in order to achieve these goals. PruFund Planet uses and benefits from the same core fundamental processes and skills that support Prudential's existing PruFund range, namely:

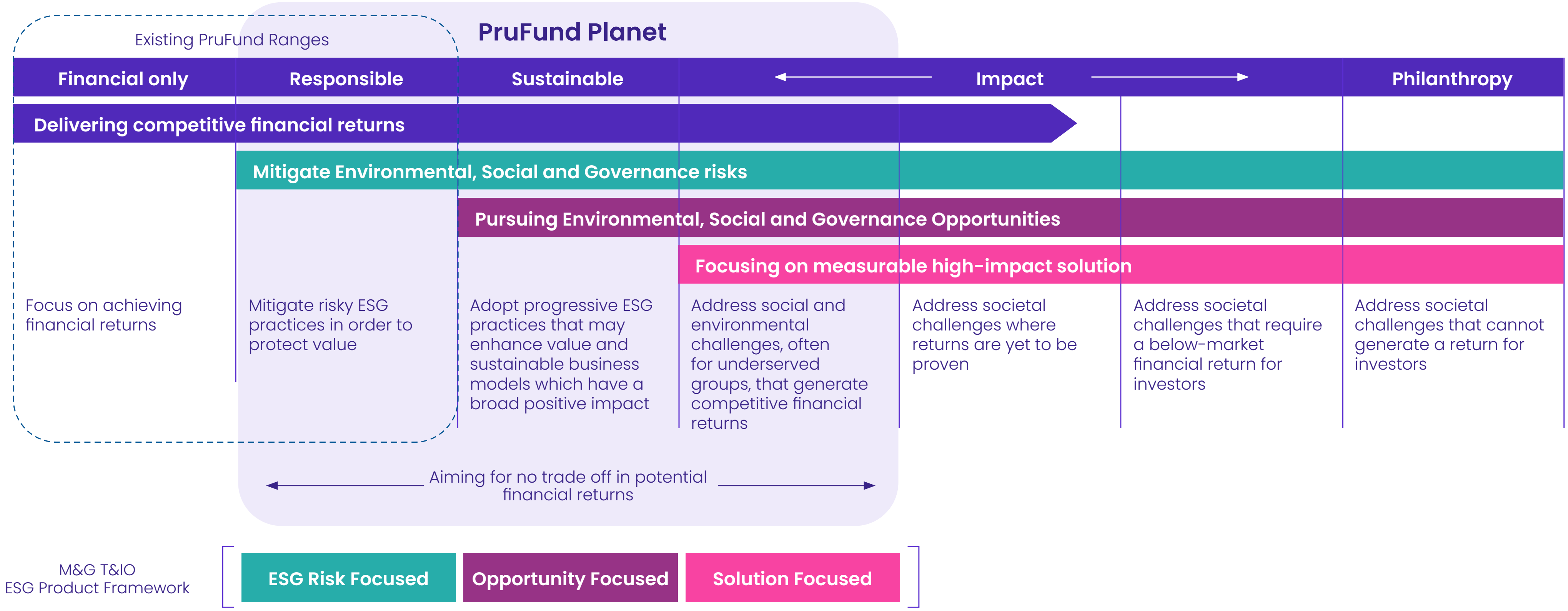
- An established smoothing process, expected growth rates (EGRs) and unit price adjustments (UPAs)
- SAA determined by the LTIS Team
- Mandate design, manager selection and oversight performed by the Manager Oversight Team
- Portfolio management conducted by the T&IO Multi-Asset Portfolio Management Team.

At the outset EGRs are set at the same level as the PruFund Risk Managed range, though there is no guarantee that EGRs will be the same as the existing PruFund funds in the future; neither will the frequency, depth or timing of any UPAs be the same. PruFund Planet is aiming to generate differentiated investment outcomes to the existing PruFunds. While it features a very similar asset allocation at the broad asset class level, it will predominantly invest in underlying funds that are not present in the existing PruFund ranges.

Alongside its financial objectives, the existing PruFund range is focused on responsible investing, such as avoidance of harms via exclusions and mitigating ESG risks. PruFund Planet's differentiator is that it goes further by not only integrating responsible investing but also investing in ESG opportunities and seeking to address societal and environmental challenges, often for underserved or disadvantaged groups, while aiming to generate competitive returns. This is illustrated in Figures 9 and 10.

Q6 Are ESG factors considered in the management of the PruFunds?

Figure 9: PruFund Planet on the impact economy spectrum



Q6 Are ESG factors considered in the management of the PruFunds?

Figure 10: The framework

ESG Risk Focused	Opportunity Focused	Solution Focused
Protecting the Planet	All deliver positive impact	**Improving the Planet**

This should not be seen as a hierarchy of 'doing good' as each contributes to a more sustainable world, rather it is an increase in the **intentionality** of creating positive impact and the scope to do so for increasingly underserved groups/markets

Managing ESG risks and seeking to minimise negative impacts for stakeholders

eg through negative exclusions or considering ESG risks when fundamentally appraising investment opportunities (ie integrated into processes)

Pursuing ESG opportunities and seeking to create positive impacts for broad stakeholders

eg by actively looking for ESG opportunities, selecting companies it is believed will outperform the market because they operate in a more sustainable way than peers over time

Contributing to solutions and seeking to create positive impacts for underserved stakeholders

Using capabilities to contribute to solutions to pressing social or environmental issues

Q6 Are ESG factors considered in the management of the PruFunds?

Table 4: Comparison between the existing PruFund ranges and PruFund Planet

Yes
No

		PruFund Cautious/ Growth	Risk Managed PruFunds	PruFund Planet
Range of funds		**x2 standalone funds**	Yes – 1–5	Yes – 1–5
EGRs		Yes	Yes	Yes
Smoothing process		Quarterly & monthly	Quarterly & monthly	Monthly
Long-term investment strategy team – SAA		Yes	Yes	Yes
M&G Multi-asset investment business – TAA mandate		Yes	Yes	Yes + M&G Sustainable Multi Asset Fund
Investment manager oversight team (IMOT)		Yes	Yes	Yes
Multi-asset portfolio management team		Yes	Yes	Yes
Implementation	Collectives	Yes	Yes	Yes
	Fund based investments	Yes	Yes	Yes
	Direct investments	Yes	Yes	No
	Segregated mandates	Yes	Yes	Yes
Multi-asset portfolio management team		Yes	Yes	Yes
Implementation	Coal	No	No	Yes
	Controversial weapons	Yes	Yes	Yes
	Tobacco	No	No	Yes
	Adult entertainment	No	No	Yes
	Gambling	No	No	Yes
ESG screens		Yes	Yes	Yes
ESG engagement		Yes	Yes	Yes
Sustainable/ Impact		No	No	Yes
Volatility ceilings		No	Yes	Yes
Tax wrapper availability		ISA International bond Onshore bond Pension	ISA International bond Onshore bond Pension	International bond M&G Wealth platform Pension retirement account

Source: Prudential April 2024

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Q6 Are ESG factors considered in the management of the PruFunds?

Asset allocation

The latest asset allocation for each of the five PruFund Planet funds along with the asset allocation of the corresponding PruFunds are shown in Tables 5 and 6.

Table 5: PruFund Planet TAAs

	PruFund Planet				
Asset type	**1**	**2**	**3**	**4**	**5**
Cash	5.5	5.3	4.4	4.6	4.0
Fixed income	63.4	52.2	41.1	29.4	16.5
Property	9.0	10.5	11.9	14.7	14.4
Equity	12.2	22.1	32.8	42.3	56.3
Alternatives	9.9	9.9	9.8	9.0	8.8
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Prudential, end of March 2024

Table 6: Risk Managed PruFund TAAs

	PruFund Risk Managed				
Asset type	**1**	**2**	**3**	**4**	**5**
Cash	5.8	5.0	4.5	4.1	3.5
Fixed income	66.9	54.1	40.9	27.0	11.3
Property	9.3	11.0	12.6	13.6	14.4
Equity	11.3	20.4	29.6	39.5	50.9
Alternatives	4.5	5.5	6.8	8.1	9.9
Other	2.2	4.0	5.6	7.7	10.0
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Prudential, end of March 2024

Note: Asset allocations are regularly reviewed by T&IO and may vary over time but will always be consistent with the fund's objective.

Defaqto produces ESG reviews covering each of the funds in the PruFund and PruFund Planet ranges; these are available through Defaqto Engage

Q7 How do the PruFunds work?

The smoothing process

This process is referred to in **Q1** and is discussed in more detail here.

Every day, for each PruFund, Prudential monitors two things:

1. **The unit price, which it refers to as the 'smoothed price', which normally increases each day by the EGR**
2. **The 'unsmoothed price', which is the value of the underlying fund divided by the total number of units.**

If the gap is ever equal to or more than the daily smoothing limit (a specified limit, shown as a percentage of the smoothed price, which Prudential may choose to vary from time to time and which may differ across the range of PruFund funds), Prudential will adjust the smoothed price straight away, to reduce the gap to the value of the 'gap after adjustment' for the relevant fund.

For example, on Risk Managed PruFund 3, if the unsmoothed price differs from the smoothed price by 10% or more, based on both the actual unsmoothed price and a five-day rolling average of the unsmoothed price, then the smoothed price will be adjusted immediately to reduce this difference to 2.5%. The smoothed price will then continue to increase at the EGR after any adjustments have been made. Some of the other funds have an 8% check.

Every day the smoothing process checks the gap between the smoothed price and unsmoothed price. For this purpose, the gap is calculated using both:

1. **The unsmoothed price**
2. **A five-working-day rolling average of the unsmoothed price.**

In addition to monitoring the unit prices daily, Prudential applies further monitoring of the unit prices at each quarter date. On each quarter date, if there is a gap that is equal to or greater than the quarterly smoothing limit (QSL) when Prudential compares the unsmoothed and smoothed prices for that day, it will reduce the gap by half by adjusting the smoothed price. Where necessary Prudential will repeat this process until the gap is less than the QSL. Some versions of the PruFunds have monthly rather than quarterly smoothing.

The quarterly and monthly limits are 50% of the daily check limits. So, for funds which have a 10% daily check, the QSL is 5%, whereas for those funds which have an 8% daily check, the figure is 4%.

Q7 How do the PruFunds work?

Unit price resets

Prudential may decide to reset the smoothed price of one or more PruFund funds on a particular day, to protect the With-Profits Fund. In the case of a unit price reset (UPR), the smoothed price of the affected fund would be adjusted to the same value as the unsmoothed price on that working day. This adjusted smoothed price will then continue to grow in line with the EGR from the working day after this reset. A UPR was applied to the PruFund range on 25 August 2021.

Suspension of smoothing

There may be occasions when Prudential must suspend the smoothing process for one or more PruFund funds for a period of consecutive days, to protect the With-Profits Fund and the clients invested in it. When this happens, the smoothed price for the affected fund(s) is set to the unsmoothed price for each day, until the smoothing process is reinstated.

Q7 How do the PruFunds work?

Expected growth rates

The EGRs for the PruFunds within some of the various product wrappers are shown in Table 7. A blank figure indicates the fund is not available within the product. These figures are gross of investment, product and advice charges.

Table 7: Expected growth rates

	Pru ISA	Pru Retirement Account	Pru Trustee Investment Plan	Pru Investment Plan	Pru International Investment Bond	Pru International Portfolio Bond
Risk Managed PruFund 1	6.5%	6.5%	6.5%	5.4%	-	6.5%
Risk Managed PruFund 2	6.9%	6.9%	6.9%	5.8%	-	6.9%
Risk Managed PruFund 3	7.4%	7.4%	7.4%	6.1%	-	7.4%
Risk Managed PruFund 4	7.7%	7.7%	7.7%	6.5%	-	7.7%
Risk Managed PruFund 5	8.0%	8.0%	8.0%	6.9%	-	8.0%
PruFund Cautious (Sterling)	7.0%	7.0%	7.0%	5.8%	7.0%	7.0%
PruFund Cautious ($)	-	-	-	-	6.4%	-
PruFund Cautious (Euro)	-	-	-	-	5.7%	-
PruFund Growth (Sterling)	7.7%	7.7%	7.7%	6.4%	7.7%	7.7%
PruFund Growth ($)	-	-	-	-	7.0%	-
PruFund Growth (Euro)	-	-	-	-	6.6%	-
PruFund Planet 1	-	6.5%	-	-	-	6.5%
PruFund Planet 2	-	6.9%	-	-	-	6.9%
PruFund Planet 3	-	7.4%	-	-	-	7.4%
PruFund Planet 4	-	7.7%	-	-	-	7.7%
PruFund Planet 5	-	8.0%	-	-	-	8.0%

Source: Prudential March 2024

Q8 How can the PruFunds be accessed?

The PruFunds are available through the various Prudential products and platform as listed in Table 8.

Table 8: Accessing the PruFund range through Prudential products

	Pru ISA	Pru Retirement Account	Pru Trustee Investment Plan	Pru Investment Plan	Pru International Investment Bond	Pru International Portfolio Bond	M&G Wealth Platform
Risk Managed PruFund 1	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Risk Managed PruFund 2	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Risk Managed PruFund 3	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Risk Managed PruFund 4	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Risk Managed PruFund 5	Yes	Yes	No	Yes	Yes	Yes	Yes
PruFund Cautious (Sterling)	Yes	Yes	Yes	Yes	£ $ € versions	Yes	Yes
PruFund Growth (Sterling)	Yes	Yes	Yes	Yes	£ $ € versions	Yes	Yes
PruFund Planet 1	No	Yes	No	No	No	Yes	Yes
PruFund Planet 2	No	Yes	No	No	No	Yes	Yes
PruFund Planet 3	No	Yes	No	No	No	Yes	Yes
PruFund Planet 4	No	Yes	No	No	No	Yes	Yes
PruFund Planet 5	No	Yes	No	No	No	Yes	Yes

Key: Yes / No

Source: Prudential March 2024

Q8 How can the PruFunds be accessed?

Accumulation and decumulation support

The majority of the PruFund range is available on the Prudential Retirement Account.

The funds, as illustrated, can be used through multiple tax wrappers. This allows them to be used in holistic financial planning using a multi-product approach and for a consistent investment strategy to be employed across more than one product type to support multiple goals and needs, if required.

The PruFund range is available through multiple third-party SIPP wrappers. Advisers should check with their preferred SIPP provider whether these funds are available. Table 9 details where the Prudential products can be found through Defaqto Engage, as well as the minimum eligibility criteria.

Table 9: Prudential products and their location on Defaqto Engage

<table>
<tr><th>Provider</th><th>Product</th><th>Location on Engage</th><th>Min Single Investment</th><th>Min Monthly Contribution</th></tr>
<tr><td rowspan="4">Prudential</td><td>Pru ISA</td><td>Investment ISA</td><td>£500</td><td>£50</td></tr>
<tr><td>Pru Retirement Account</td><td>PPP
SIPP
PP Transfer
Income drawdown</td><td>£0</td><td>£0</td></tr>
<tr><td>Pru Trustee Investment Plan</td><td>Trustee Investment Plan</td><td>£20,000</td><td>Not permitted</td></tr>
<tr><td>Pru Investment Plan</td><td>Unit Linked Bonds</td><td>£10,000</td><td>Not permitted</td></tr>
<tr><td rowspan="2">Prudential International</td><td>Pru International Investment Bond</td><td rowspan="2">International Bond</td><td rowspan="2">£20,000</td><td rowspan="2">Not permitted</td></tr>
<tr><td>Pru International Portfolio Bond</td></tr>
</table>

Source: Prudential March 2024

Q8 How can the PruFunds be accessed?

Online support

There are a wide range of online servicing options available for the products, and details can be found at:
www.mandg.com/pru/adviser/en-gb/online-services

Interactive information on PruFunds and relevant tax wrappers can also be found at:
www.mandg.com/pru/adviser/en-gb/funds/prufund-range

Tools and calculators

There are also a wide range of tools and calculators, including the retirement modeller and tax relief modeller, that can be found at PruAdviser Tool and Calculators.

PruFunds Fair Value Assessments

These can be found at:
https://www.mandg.com/dam/pru/shared/documents/en/cd100599000.pdf

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Q9 What are the charges?

Annual management charge (AMC)

This is deducted from the annual return.

Further costs

These can include, for example, maintenance costs for property investments and costs associated with investing in infrastructure, such as utilities, transport and renewable energy. These costs can vary over time.

Adviser charging

It is important to understand the adviser charging terms available through each product provider.

The key points for Prudential products are:

- Set-up charges for single premium pensions will be paid as a percentage or as a specified monetary amount. For regular premiums, it can be paid as a percentage of each gross regular premium paid. For onshore and international bonds, it is taken pre-investment of the contribution either as a percentage or a specified monetary amount, meaning there is no risk of the adviser charge accounting for, or impacting upon, the 5% tax deferrable allowance. There is no set-up fee for the ISA.
- Ongoing charges can be paid as a percentage or a specified monetary amount for pensions, onshore and international bonds. There is no charge for the ISA.
- Frequency of charges can be monthly or annually, where charged.
- Ad hoc charges can be paid as a percentage or a specified monetary amount.

Wrapper and fund charges

While the PruFund range has one of the longest longevity records, this does come with a little inconvenience due to the legacy systems involved. Understanding the total cost experience and reduction in yield can take a little time. But it is time well spent as it is important to appraise the charges levied at the product and fund level and any additions or discounts that will be applied.

You will now find a single page summary of the product and fund charges for each Prudential solution that provides access to some or all of the PruFunds range.

They have been calculated assuming that a PruFund is used on a nil adviser fee basis. This is an important consideration because, in certain circumstances, adviser fees can reduce the value invested, impacting any discount or reward applied. Ultimately, this can result in the investor paying slightly higher charges.

Additional costs

It is important to understand that the additional costs highlighted in the sections below are already accounted for in the EGRs declared for each of the PruFunds. Clients will only experience the AMC and individual product charge.

It is important to note that the client experiences the smoothed price. While the client will see the deduction of the AMC and any product charge, the EGRs on which the smoothed price are based will already include any additional transaction costs. These are detailed here primarily for disclosure reasons.

Q9 What are the charges?

It is important to note that the client experiences the smoothed price. While the client will see the deduction of the AMC and any product charge, the EGRs on which the smoothed price are based will already include any additional transaction costs. These are detailed here primarily for disclosure reasons.

Prudential ISA

Within the Prudential ISA, the standard PruFund AMC is 1.06%.

To this must be added transactional costs to cover items including maintenance costs for property investments and costs associated with investing in infrastructure, such as utilities. These costs can vary over time and Table 10 explains the current transactional costs being applied.

Table 10: Prudential ISA – Charges

PruFund	AMC	Transactional costs	Overall
PruFund Risk Managed 1	1.06%	0.22%	1.28%
PruFund Risk Managed 2	1.06%	0.24%	1.30%
PruFund Risk Managed 3	1.06%	0.26%	1.32%
PruFund Risk Managed 4	1.06%	0.27%	1.33%
PruFund Risk Managed 5	1.06%	0.29%	1.35%
PruFund Cautious (Sterling)	1.06%	0.31%	1.37%
PruFund Growth (Sterling)	1.06%	0.31%	1.37%
PruFund Planet 1	not available		
PruFund Planet 2	not available		
PruFund Planet 3	not available		
PruFund Planet 4	not available		
PruFund Planet 5	not available		

Source: Prudential May 2024

The AMC rate applying to the PruFund holding(s) is based on the information shown in Table 11.

Table 11: Prudential ISA – Net charge

Value of PruFund fund holdings in ISA	Effective AMC	
	PruFund Cautious	PruFund Growth & Risk Managed 1–5
Under £100,000	1.030%	1.060%
£100,000 to £249,999	0.980%	1.010%
£250,000 to £499,999	0.930%	0.960%
£500,000 to £749,999	0.880%	0.910%
£750,000 to £999,999	0.855%	0.885%
£1m+	0.830%	0.860%

Source: Prudential May 2024

Q9 What are the charges?

> It is important to note that the client experiences the smoothed price. While the client will see the deduction of the AMC and any product charge, the EGRs on which the smoothed price are based will already include any additional transaction costs. These are detailed here primarily for disclosure reasons.

Prudential Retirement Account

Within the Prudential Retirement Account, both a product and an AMC are charged and need to be added together.

The product charge is based on the value held in the Prudential Retirement Account and Table 12 shows the rates payable.

Table 12: Prudential Retirement Account – Product charges

Value of PruFund holdings in Prudential Retirement Account	Product charge
Under £100,000	1.060%
£100,000 to £249,999	1.010%
£250,000 to £499,999	0.960%
£500,000 to £749,999	0.910%
£750,000 to £999,999	0.885%
£1m+	0.860%

Source: Prudential May 2024

> **NOTE: The product charge is factored into the return on investment. This means advisers should not deduct the product charge in a reduction in yield assessment as it is built into the fund performance**

The standard PruFund AMC is 0.76% for all PruFund Risk Managed funds and PruFund Growth, 0.73% for PruFund Cautious and 0.80% for all PruFund Planet funds.

To this must be added transactional costs to cover items including maintenance costs for property investments and costs associated with investing in infrastructure, such as utilities. These costs can vary over time and Table 13 shows the current transactional costs being applied.

Q9 What are the charges?

It is important to note that the client experiences the smoothed price. While the client will see the deduction of the AMC and any product charge, the EGRs on which the smoothed price are based will already include any additional transaction costs. These are detailed here primarily for disclosure reasons.

Prudential Retirement Account (cont.)

Table 13: Prudential Retirement Account – Charges

PruFund	AMC	Transactional costs	Overall
PruFund Risk Managed 1	0.76%	0.22%	0.978%
PruFund Risk Managed 2	0.76%	0.24%	1.00%
PruFund Risk Managed 3	0.76%	0.26%	1.02%
PruFund Risk Managed 4	0.76%	0.27%	1.03%
PruFund Risk Managed 5	0.76%	0.29%	1.05%
PruFund Cautious (Sterling)	0.73%	0.28%	1.01%
PruFund Growth (Sterling)	0.76%	0.31%	1.07%
PruFund Planet 1	0.80%	0.23%	1.03%
PruFund Planet 2	0.80%	0.24%	1.04%
PruFund Planet 3	0.80%	0.25%	1.05%
PruFund Planet 4	0.80%	0.27%	1.07%
PruFund Planet 5	0.80%	0.32%	1.12%

A discount may be applied to the AMC resulting in the percentages shown in Table 14 becoming payable.

The discount is based on the combined value held in PruFunds within the Prudential Retirement Account.

Table 14: Prudential Retirement Account – Net charge

Value of PruFund holdings in Prudential Retirement Account	Effective AMC
Under £100,000	0.300%
£100,000 to £249,999	0.200%
£250,000 to £499,999	0.150%
£500,000 to £749,999	0.150%
£750,000 to £999,999	0.125%
£1m+	0.100%

Source: Prudential May 2024

Q9 What are the charges?

It is important to note that the client experiences the smoothed price. While the client will see the deduction of the AMC and any product charge, the EGRs on which the smoothed price are based will already include any additional transaction costs. These are detailed here primarily for disclosure reasons.

Prudential Trustee Investment Plan

Within the Prudential Trustee Investment Plan, the standard PruFund AMC is 1.41%, with the exception of the PruFund Cautious which is 1.38%.

To this must be added transactional costs that cover items including maintenance costs for property investments and costs associated with investing in infrastructure, such as utilities. These costs can vary over time and Table 15 shows the current transactional costs being applied.

Table 15: Prudential Trustee Investment Plan – Charges

PruFund	AMC	Transactional costs	Overall
PruFund Risk Managed 1	1.41%	0.22%	1.63%
PruFund Risk Managed 2	1.41%	0.24%	1.65%
PruFund Risk Managed 3	1.41%	0.26%	1.67%
PruFund Risk Managed 4	1.41%	0.27%	1.68%
PruFund Risk Managed 5	not available		
PruFund Cautious (Sterling)	1.38%	0.28%	1.66%
PruFund Growth (Sterling)	1.38%	0.31%	1.72%
PruFund Planet 1	not available		
PruFund Planet 2	not available		
PruFund Planet 3	not available		
PruFund Planet 4	not available		
PruFund Planet 5	not available		

A discount may be applied to the AMC resulting in the percentages shown in Table 16 becoming payable.

The discount is based on the combined value held in PruFunds within the Prudential Trustee Investment Plan.

Table 16: Prudential Trustee Investment Plan – Net charge

Value of PruFund holdings in Prudential Trustee Investment Plan	Fund size discount from AMC
Under £100,000	0.350%
£100,000 to £149,999	0.400%
£150,000 to £249,999	0.450%
£250,000 to £499,999	0.475%
£500,000 to £749,999	0.500%
£750,000to £999,999	0.525%
£1m and over	0.550%

Source: Prudential May 2024

Note: The discount to the AMC will apply to the whole investment, not just the portion above the threshold levels shown

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Q9 What are the charges?

It is important to note that the client experiences the smoothed price. While the client will see the deduction of the AMC and any product charge, the EGRs on which the smoothed price are based will already include any additional transaction costs. These are detailed here primarily for disclosure reasons.

Prudential Investment Plan (Onshore Bond)

Within the Prudential Investment Plan, the standard PruFund AMC is 1.31%, with the exception of PruFund Cautious which is 1.28%.

To this must be added transactional costs to cover items including maintenance costs for property investments and costs associated with investing in infrastructure, such as utilities. These costs can vary over time and Table 17 shows the current transactional costs being applied.

Table 17: Prudential Investment Plan – Charges

PruFund	AMC	Transactional costs	Overall
PruFund Risk Managed 1	1.31%	0.18%	1.49%
PruFund Risk Managed 2	1.31%	0.19%	1.50%
PruFund Risk Managed 3	1.31%	0.21%	1.52%
PruFund Risk Managed 4	1.31%	0.22%	1.53%
PruFund Risk Managed 5	1.31%	0.23%	1.54%
PruFund Cautious (Sterling)	1.28%	0.22%	1.50%
PruFund Growth (Sterling)	1.31%	0.25%	1.56%
PruFund Planet 1	not available		
PruFund Planet 2	not available		
PruFund Planet 3	not available		
PruFund Planet 4	not available		
PruFund Planet 5	not available		

A discount may be applied to the AMC resulting in the percentages shown in Table 18 becoming payable.

The discount is based on the combined value held in PruFunds within the Prudential Investment Plan.

Table 18: Prudential Investment Plan – Fund size discounts

AUM £	Fund size discount
Under £24,999	0.300%
£25,000 to £49,999	0.350%
£50,000 to £99,999	0.400%
£100,000 to £249,999	0.450%
£250,000 to £499,999	0.475%
£500,000 to £999,999	0.500%
£1,000,000 to £1,749,999	0.525%
£1,750,000 to £2,999,999	0.550%
£3,000,000+	0.575%

Source: Prudential May 2024

Q9 What are the charges?

It is important to note that the client experiences the smoothed price. While the client will see the deduction of the AMC and any product charge, the EGRs on which the smoothed price are based will already include any additional transaction costs. These are detailed here primarily for disclosure reasons.

Prudential International Investment Bond

Within the Prudential International Investment Bond, the standard PruFund AMC is 1.20%.

To this must be added transactional costs that cover items including maintenance costs for property investments and costs associated with investing in infrastructure, such as utilities. These costs can vary over time and Table 19 shows the current transactional costs being applied and the overall AMC payable.

Table 19: Prudential International Investment Bond – Charges

PruFund	AMC	Transactional costs	Overall
PruFund Risk Managed 1	not available		
PruFund Risk Managed 2	not available		
PruFund Risk Managed 3	not available		
PruFund Risk Managed 4	not available		
PruFund Risk Managed 5	not available		
PruFund Cautious (Sterling)	1.20%	0.24%	1.44%
PruFund Cautious (Euro)	1.20%	0.13%	1.33%
PruFund Cautious (Dollar)	1.20%	0.08%	1.28%
PruFund Growth (Sterling)	1.20%	0.17%	1.37%
PruFund Growth (Euro)	1.20%	0.08%	1.28%
PruFund Growth (Dollar)	1.20%	0.05%	1.25%
PruFund Planet 1	not available		
PruFund Planet 2	not available		
PruFund Planet 3	not available		
PruFund Planet 4	not available		
PruFund Planet 5	not available		

An annual investment reward may be credited on the anniversary date where a client has invested at least £50,000. The rate at which this is credited is based on the amount invested and it is applied to the amount of that investment remaining in the bond. It is payable for full years only. There is no credit if the bond ends between anniversaries. The current reward is shown in Table 20.

Table 20: Prudential International Investment Bond – Reward

Total GBP Premium	Total USD Premium	Total EUR Premium	Annual rate of reward as % of bond value
£20,000 to £49,999	$35,000 to $74,999	€25,000 to €62,499	0.00%
£50,000 to £149,999	$75,000 to $224,999	€62,000 to €187,499	0.15%
£150,000+	$225,000+	€187,500	0.25%

Source: Prudential 29 February 2024

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Q9 What are the charges?

It is important to note that the client experiences the smoothed price. While the client will see the deduction of the AMC and any product charge, the EGRs on which the smoothed price are based will already include any additional transaction costs. These are detailed here primarily for disclosure reasons.

Prudential International Portfolio Bond

Within the Prudential International Portfolio Bond, the standard PruFund AMC is 0.65%.

To this must be added transactional costs that cover items including maintenance costs for property investments and costs associated with investing in infrastructure, such as utilities. These costs can vary over time and Table 21 shows the current transactional costs being applied and the overall AMC payable.

Table 21: Prudential International Portfolio Bond – Charges

PruFund	AMC	Transactional costs	Overall
PruFund Risk Managed 1	0.65%	0.23%	0.87%
PruFund Risk Managed 2	0.65%	0.25%	0.90%
PruFund Risk Managed 3	0.65%	0.26%	0.91%
PruFund Risk Managed 4	0.65%	0.27%	0.92%
PruFund Risk Managed 5	0.65%	0.28%	0.93%
PruFund Cautious (Sterling)	0.65%	0.27%	0.92%
PruFund Growth (Sterling)	0.65%	0.31%	0.96%
PruFund Planet 1	0.65%	0.3%	0.95%
PruFund Planet 2	0.65%	0.32%	0.97%
PruFund Planet 3	0.65%	0.34%	0.99%
PruFund Planet 4	0.65%	0.36%	1.01%
PruFund Planet 5	0.65%	0.37%	1.02%

The Consumer Duty and expected Value for Money rules

Both the new Consumer Duty and the forthcoming Value for Money rules require providers and advisers alike to evidence value for money at the initial sale, on an ongoing basis and at exit.

The Consumer Duty requires a 'fair value' assessment, which is a combination of charges and costs, plus the quality of service. The 'value for money' in essence requires a fair value assessment, plus investment performance and ESG.

The specific rules can be found within the relevant COBS sections of the FCA website, although advisers must remember to include their own charges.

The Prudential Independent Governance Committee (IGC) monitors these factors and is responsible for assessing value for money across the entire product range.

Advisers who have segmented their clients using the industry standard target market categories (Table 1) will not only find it easier to match their client to the appropriate Prudential product and PruFund but will also be able to evidence value for money. This is because the Prudential IGC will have done much of the hard work and will be reporting using the same target market categories.

Charges and costs	Quality of service	Investment performance

Q10 When considering quality and suitability, how can the PruFunds be approached and compared?

Quality

The Risk Managed PruFund and Planet families do not receive Diamond Ratings from Defaqto. This is because these funds are set up as life and pension funds. Also, their smoothing would make their risk adjusted returns incomparable with all the other funds in the rating peer group.

However, these funds can still be considered and compared to other funds in terms of aspects such as the business and team behind the funds plus the underlying investment process. In this respect, we believe the business and team's strengths include:

- A large and experienced investment/research team that has a long heritage in running multi-asset funds, together with a financially strong parent company behind them
- A proprietary investment process that has been in place for a long time
- Both the asset allocation and fund manager selection/oversight are done in-house.

Suitability

With these ranges covering the 2–6 Defaqto Risk Ratings for accumulation (on a scale of 1 to 10) in which many investors will tend to sit in terms of their attitude to risk, it is worth noting that it is possible for the client to remain in this same family of funds and just move up or down the risk scale if their needs and risk preferences change.

For the adviser, the benefit of this is that there is a reduced amount of due diligence to carry out in terms of finding a new proposition, as the majority of work will have been done at the start when researching the market and selecting the range. Also, there will be less need for in-depth explanations to the client when changing fund as the underlying approach will be the same.

In terms of decumulation and income drawdown, the various PruFunds sit in either Defaqto's Low or Medium Sequencing Risk profiles. **Appendix 1** shows projections for the greatest possible withdrawal rate (with a 95% level of confidence) for each fund for different levels of duration. These projections use a stochastic model and are based on each fund's asset allocation and charges, calculated as at 31 March 2024.

Appendix 1

Sustainable withdrawal rates by duration for a selection of the PruFunds, based on an initial investment of £100,000, are shown in Figures 11 to 16.

Figure 11: Risk Managed PruFund 1, nominal withdrawal rate

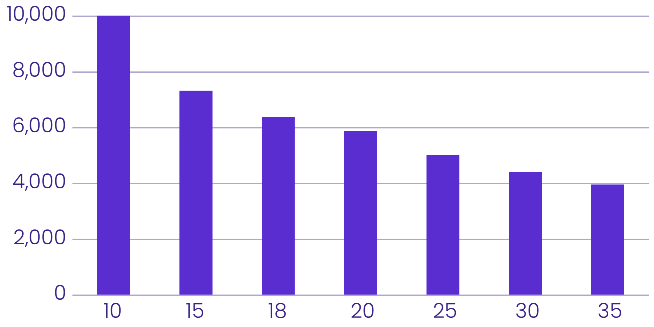


Figure 12: Risk Managed PruFund 5, nominal withdrawal rate

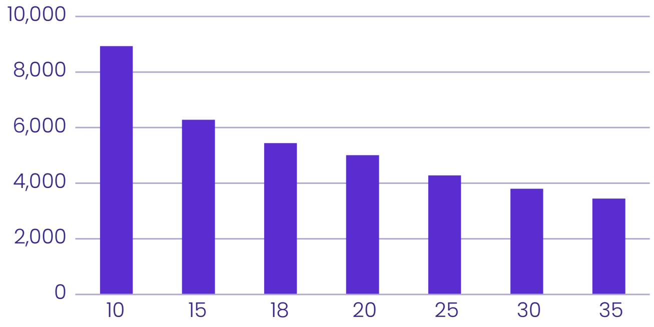


Figure 13: PruFund Cautious, nominal withdrawal rate

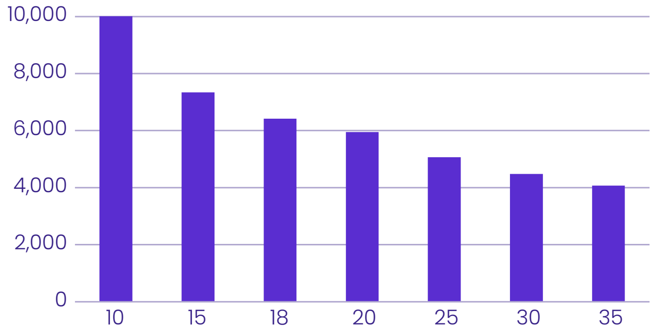


Figure 14: PruFund Growth, nominal withdrawal rate

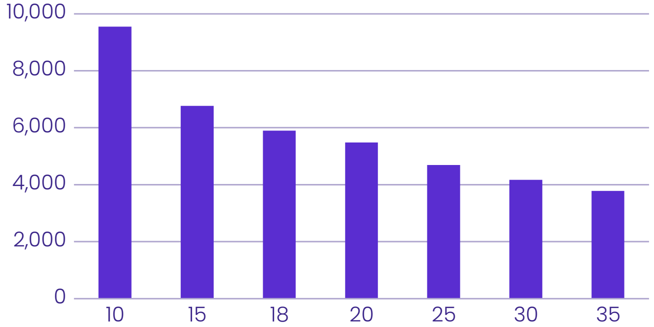


Figure 15: PruFund Planet 1, nominal withdrawal rate

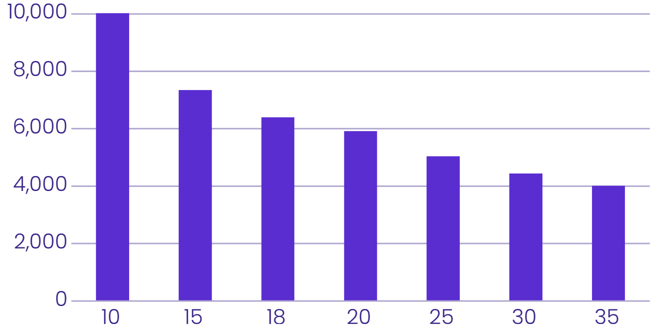
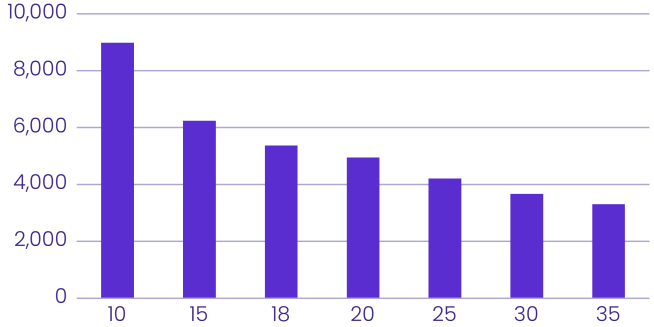


Figure 16: PruFund Planet 5, nominal withdrawal rate



Appendix 2

Table 22: All PruFund variants and launch dates

Product	Fund Name	Launched
Pru ISA	Pru PruFund Cautious Fund Pension ISA GTR in GB	26 February 2015
	Pru PruFund Growth Fund Pension ISA GTR in GB	
	Pru PruFund Risk Managed 1 Fund Pension ISA GTR in GB	
	Pru PruFund Risk Managed 2 Fund Pension ISA GTR in GB	
	Pru PruFund Risk Managed 3 Fund Pension ISA GTR in GB	
	Pru PruFund Risk Managed 4 Fund Pension ISA GTR in GB	28 May 2019
	Pru PruFund Risk Managed 5 Fund Pension ISA GTR in GB	
Pru Retirement Account	Pru Prudential PruFund Planet 1 Pension Series E GTR in GB	25 August 2021
	Pru Prudential PruFund Planet 2 Pension Series E GTR in GB	
	Pru Prudential PruFund Planet 3 Pension Series E GTR in GB	
	Pru Prudential PruFund Planet 4 Pension Series E GTR in GB	
	Pru Prudential PruFund Planet 5 Pension Series E GTR in GB	

Appendix 2

Table 22: All PruFund variants and launch dates (cont.)

Product	Fund Name	Launched
Pru Retirement Account	Pru PruFund Cautious Fund Pension Series D GTR in GB	1 August 2016
	Pru PruFund Cautious Fund Pension Series E GTR in GB	25 September 2017
	Pru PruFund Growth Fund Pension Series D GTR in GB	1 August 2016
	Pru PruFund Growth Fund Pension Series E GTR in GB	25 September 2017
	Pru PruFund Risk Managed 1 Fund Pension Series D GTR in GB	1 August 2016
	Pru PruFund Risk Managed 1 Fund Pension Series E GTR in GB	25 September 2017
	Pru PruFund Risk Managed 2 Fund Pension Series D GTR in GB	1 August 2016
	Pru PruFund Risk Managed 2 Fund Pension Series E GTR in GB	25 September 2017
	Pru PruFund Risk Managed 3 Fund Pension Series D GTR in GB	1 August 2016
	Pru PruFund Risk Managed 3 Fund Pension Series E GTR in GB	25 September 2017
	Pru PruFund Risk Managed 4 Fund Pension Series D GTR in GB	1 August 2016
	Pru PruFund Risk Managed 4 Fund Pension Series E GTR in GB	25 September 2017
	Pru PruFund Risk Managed 5 Fund Pension Series E GTR in GB	21 January 2019
	Pru PruFund Cautious Fund Series 2 in GB	25 November 2009
	Pru PruFund Growth Fund Series 2 in GB	25 November 2008

Appendix 2

Table 22: All PruFund variants and launch dates (cont.)

Product	Fund Name	Launched
Pru Retirement Account	Pru PruFund Risk Managed 1 Fund Series 2 in GB	25 November 2011
	Pru PruFund Risk Managed 2 Fund Series 2 in GB	
	Pru PruFund Risk Managed 3 Fund Series 2 in GB	
	Pru PruFund Risk Managed 4 Fund Series 2 in GB	
	Pru PruFund Risk Managed 5 Series 2 in GB	21 January 2019
Flexible Retirement Plan/TIP	Pru PruFund Cautious Fund Pension Series A GTR in GB	25 November 2009
	Pru PruFund Growth Fund Pension Series A GTR in GB	25 November 2008
	Pru PruFund Risk Managed 1 Fund Pension Series A GTR in GB	25 November 2011
	Pru PruFund Risk Managed 2 Fund Pension Series A GTR in GB	
	Pru PruFund Risk Managed 3 Fund Pension Series A GTR in GB	
	Pru PruFund Risk Managed 4 Fund Pension Series A GTR in GB	
International Investment Bond	PIA PruFund Cautious Fund EUR Series B in GB	25 November 2009
	PIA PruFund Cautious Fund GBP Series B in GB	
	PIA PruFund Cautious Fund USD Series B in GB	
	PIA PruFund Growth Fund EUR Series B in GB	25 November 2008
	PIA PruFund Growth Fund GBP Series B in GB	
	PIA PruFund Growth Fund USD Series B in GB	

Appendix 2

Table 22: All PruFund variants and launch dates (cont.)

Product	Fund Name	Launched
International Portfolio Bond	PIA PruFund Cautious (Sterling) Series C in GB	2 November 2020
	PIA PruFund Growth (Sterling) Series C in GB	
	PIA PruFund Risk Managed 1 (Sterling) Series C in GB	
	PIA PruFund Risk Managed 2 (Sterling) Series C in GB	
	PIA PruFund Risk Managed 3 (Sterling) Series C in GB	
	PIA PruFund Risk Managed 4 (Sterling) Series C in GB	
	PIA PruFund Risk Managed 5 (Sterling) Series C in GB	
	PIA PruFund Planet 1 (Sterling) Series C in GB	
	PIA PruFund Planet 2 (Sterling) Series C in GB	
	PIA PruFund Planet 3 (Sterling) Series C in GB	
	PIA PruFund Planet 4 (Sterling) Series C in GB	
	PIA PruFund Planet 5 (Sterling) Series C in GB	
M&G Wealth Platform	Pru PruFund Planet 1 Pension Series F GTR in GB	25 May 2023
	Pru PruFund Planet 2 Pension Series F GTR in GB	
	Pru PruFund Planet 3 Pension Series F GTR in GB	
	Pru PruFund Planet 4 Pension Series F GTR in GB	
	Pru PruFund Planet 5 Pension Series F GTR in GB	

Source: Prudential February 2023

About Defaqto

Impartial, Respected. Trusted. We bring data, technology and consumers together to help everyone make smarter financial decisions today and tomorrow.

Defaqto is one of the leading financial information, ratings and fintech businesses that supports financial institutions, intermediaries and consumers to make smarter financial decisions.

We maintain the UK's largest financial product database and use proprietary research methodology to develop independent ratings, reviews, insights and technology.

By bringing together product data, technology and consumer insight we are in a unique position to help everyone make smarter, more informed financial choices now and in the future. And in doing so we hope to raise industry standards, power consumer choice and help the industry meet evolving customer needs.

Star Ratings

Defaqto Star Ratings give consumers and financial professionals the confidence to choose the right financial products for themselves and their clients, by providing an unbiased assessment of quality they can trust.

Diamond Ratings

Assess the quality and performance of any given fund at a glance. With a clear and consistent scoring approach, Diamond Ratings make it easy to understand where a fund or MPS family sits in the market.

Service Ratings

Compare the quality of service across multiple product providers to support your product selection and recommendation process.

Risk Ratings

Align a fund or MPS portfolio to a client's agreed level of risk. Use the ratings to quickly assess risk positions and deliver compliant advice.

Investment Reviews

Get the full story behind an investment solution. Use our detailed accounts of the people, processes and philosophy involved for a comprehensive and unbiased assessment of its value.

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