

Prudential ISA

Product overview and target market information

Key:	Yes 	No 	In some circumstances 
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This is based on Prudential's opinions and doesn't take into account individual circumstances.

What is the Prudential ISA?


The Prudential ISA is an online Stocks and Shares Individual Savings Account. It allows your clients to pay in lump sums and regular payments, subject to HMRC limits, and transfer in funds from their existing Cash or Stocks and Shares ISAs. Any growth achieved in the Prudential ISA is free from Income Tax and Capital Gains Tax, and they can access their money when they need it.

It provides access to a range of Prudential's PruFund funds, which are accessed via a life insurance policy provided through Prudential Assurance Company Limited, and a range of active and passive risk managed Open-Ended Investment Company (OEIC) funds provided by Waystone Management (UK) Limited.



What type of clients/investors is this designed for?

Retail client/investor 

Professional client/investor (e.g. trustee/corporate) 



Who provides the Prudential ISA?

It's important your client understands who provides the different elements of the Prudential ISA. Below we've summarised the main entities involved in providing the Prudential ISA and the underlying investments.

Entity	Responsibilities
Waystone Financial Investments Limited (WFI)	<p>The Prudential ISA is provided by WFI through an ISA Management Agreement between WFI and Prudential Distribution Limited (PDL).</p> <p>As provider and ISA Manager of the product, WFI are responsible for all legal and regulatory responsibilities in relation to the running of the ISA and all customer service.</p> <p>If your client takes out a Prudential ISA they will have a contract with WFI and all correspondence and documentation with your client will be from them.</p>
Waystone Management (UK) Limited (WMUK)	<p>WMUK are the Authorised Corporate Director (ACD) of the WS Prudential Investment Funds (1) range, i.e., the WS Prudential Risk Managed Active and Passive OEIC range of funds, available in the Prudential ISA. WMUK are responsible for all legal and regulatory responsibilities in the provision, running and management of these funds.</p>



Who provides the Prudential ISA? – continued

Entity	Responsibilities
Waystone Nominees (UK) Limited	Waystone Nominees (UK) Limited are WFI's nominee company. If your client elects to invest in any of the PruFund Funds or WS Prudential Risk Managed Active or Passive OEIC funds available within the Prudential ISA, they will hold those funds on Trust on behalf of your client.
Prudential Assurance Company Limited (PACL)	PACL is the provider of PruFund Funds, and the Life Insurance Policy that makes these funds available, within the Prudential ISA. They are responsible for all legal and regulatory responsibilities in relation to the provision, running and management of the PruFund Funds.
Prudential Distribution Limited (PDL)	PDL and WFI have an ISA Management Agreement in place to provide the Prudential ISA and the underlying Funds.



What are the main risks of the product?

Risk	Description
Investment value	<ul style="list-style-type: none">• The value of your client's investment can go down as the product doesn't contain any investment guarantees, so they could get back less than they paid in.• Investing in PruFund Funds does not provide a guarantee on the future value of your client's investment. Expected Growth Rates are reviewed on a quarterly basis and could go down as well as up. We may also have to apply unit price adjustments and/or unit price re-sets, or suspend smoothing for a period of consecutive days, to ensure members of the With-Profits fund receive their fair share, which could reduce as well as increase the value of your client's PruFund investments.
Charges	<ul style="list-style-type: none">• The value of your client's Prudential ISA could be lower than they might expect if the charges on their investments goes up.
Regulations	<ul style="list-style-type: none">• The tax-efficient treatment of ISAs may change in the future.



What are the main costs of the product?

Cost	Description
Prudential ISA costs	<ul style="list-style-type: none"> • WFI provide, manage and administer the Prudential ISA but do not charge your client separately for this. • Your client will therefore not incur any additional charges over and above the charges they pay on their investments.
PruFund costs	<ul style="list-style-type: none"> • If your client invests in PruFund Funds within the Prudential ISA, they will pay an Annual Management Charge (AMC) which is taken by a cancellation of units from each of your client's PruFund Funds held within their Prudential ISA. • The AMC may be discounted depending on the total value of your client's PruFund holdings within their Prudential ISA. Details of the AMC that might apply for your client can be found in the Prudential ISA – fast facts. • Further costs may also apply to each PruFund Fund available in the Prudential ISA. These costs 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 and are taken from within the fund and reflected in the unit price of each PruFund fund. Details of the AMC and any further costs can be found in the Fund and Charges guide. • In addition to the AMC and further costs detailed above, transaction costs may apply for the buying and selling of underlying instruments within the fund. As with the further costs mentioned above, these costs can vary over time and are taken from within the fund and reflected in the unit price of each PruFund fund.
WS Prudential Funds (1) costs	<ul style="list-style-type: none"> • If your client invests in WS Prudential Funds available within the Prudential ISA, they will pay an ongoing charge which is taken from within the fund and will be reflected in the price of the fund. Details of the current charges for these funds can be found in the Fund and Charges guide. • In addition to the ongoing charge detailed above, transaction costs may apply in the normal running of the funds in relation to the buying and selling of underlying instruments within the fund. As with the ongoing charge mentioned above, these costs can vary over time and are taken from within the fund and will be reflected in the unit price of the fund.
Charge disclosure	<ul style="list-style-type: none"> • Your client will receive a statement each quarter detailing the transactions that have taken place on their Prudential ISA over the last quarter. This will only show charges explicitly taken from their investments, such as any AMC charged on PruFund Funds and any adviser charges that have been paid out to you from your client's Prudential ISA. • In addition to the quarterly statement, and to meet their MiFID II disclosure responsibilities, WFI will provide your client with a Cost and Charges statement each year which will provide a full breakdown of all the charges your client has paid over the previous year.



What governance structures are in place for managing the product?

Governance	Description
Joint governance	<ul style="list-style-type: none">• PDL, WFI and WMUK have joint governance structures in place, as agreed under the relevant contracts and agreements between the parties, to ensure the relationships and products provided are meeting agreed objectives and expectations.
Proposition development and Lifecycle Management processes	<ul style="list-style-type: none">• We have a detailed proposition development policy in place for developing new, and maintain existing, propositions. We also have a proposition lifecycle management process in place to review our propositions at a schedule relevant to the proposition.• The purpose of these processes is to ensure that new propositions we develop, and propositions we enhance and maintain, are done so;<ul style="list-style-type: none">– to meet the identified needs and objectives of the target market for the proposition,– that consumer duty requirements are at the heart of these processes,– that the proposition continues to meet those needs, objectives and requirements throughout the lifecycles of the proposition, and– that the distribution strategy of the proposition remains appropriate.• Reviews of the proposition are carried out to ensure the design remains appropriate to the identified target market of the proposition, that it continues to provide fair value and customer outcomes, taking account of the proposition complexity and the needs and objectives of the target market.



What Financial services compensation scheme (FSCS) limits apply to the product?

WFI are covered by the FSCS in respect of the Prudential ISA. If WFI can't meet their obligations your client may be entitled to compensation from the FSCS. Their entitlement to compensation depends on the type of business and the circumstances of the claim. The levels of compensation that apply depend on the investments held by your client in their Prudential ISA as follows;

Investment type	Protection
PruFund funds*	<ul style="list-style-type: none">• Insured funds, such as the PruFund fund range available in the Prudential ISA, receive protection of 100% of the investment with no upper limit.
WS Prudential Funds (1)*	<ul style="list-style-type: none">• These are covered up to a maximum of £85,000, per provider.

* Please note the FSCS does not protect your client against losses if the investment were to fall in value.

For full details of the FSCS, please refer to [fscs.org.uk](https://www.fscs.org.uk).



How do you assess price and value for the product?

As provider of the Prudential ISA, and as such under the Consumer Duty, WFI provide their own value assessment commentary on the Prudential ISA product. However, as the Prudential ISA is co-manufactured with PDL, WFI and PDL have agreed to jointly provide relevant value assessment information in relation to the Prudential ISA product and the underlying investment products available on both websites.

You can find WFI's commentary on Consumer Duty by accessing **Waystone Financial Investments Limited (WFI) Policies and information webpage**.

PDL's approach to assessing fair value considers the product or service as a packaged product. It makes allowance for the individual components which are manufactured by the Prudential Assurance Company Limited that make up the packaged product. Where there is another manufacturer, we will rely on their fair value assessment in respect of their individual component(s) within the packaged product. For example, for Open-Ended Investment Companies (OEICs) we will rely on the fund manufacturers assessment of value.

Please note, we do not make any allowance for any adviser charges that WFI may facilitate under the Prudential ISA product as part of our value assessment.

Please see the Pru/M&G plc Consumer Duty webpages [mandg.com/pru/consumer-duty](https://www.mandg.com/pru/consumer-duty) which provide details on how the value assessment is undertaken.



What target market assessment do you undertake as part of your consumer duty and product management processes?

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

Any foreseeable harms, product features, benefits or charges that may impact customer outcomes, as a whole or specific customer groups, are considered using a risk-based approach in accordance with the FCA's guidance on reasonableness in relation to both customer expectations and firm behaviours.



Vulnerable customers

We appreciate customers could find themselves in vulnerable circumstances at any time whilst invested in their Prudential ISA. WFI will aim to ensure that vulnerable customers invested in the Prudential ISA continue to be treated fairly and receive the same outcomes as other customers.



What is the distribution strategy of the product?

Point of sale	Description	Distribution	Availability
Initial sale	Setting up of a new Prudential ISA	Advised	✓
		Non-advised	✗
		Execution-only*	✗
Top-ups	Single and/or regular contribution top-ups and additional transfers-in	Advised	✓
		Non-advised	✓
		Execution-only*	✗

* Execution-only covers situations where the customer's adviser is transacting on behalf of their client but without providing advice.



Target market – Client's knowledge and experience

Knowledge	Description	Availability
Basic	<ul style="list-style-type: none"> Basic knowledge of relevant financial products and the features and complexities of this specific product. Can make an informed investment decision based on the advice/recommendation of a regulated intermediary, supported by appropriate information and documentation from the product manufacturer. Basic financial industry experience 	✓
Informed	<ul style="list-style-type: none"> Reasonable knowledge of relevant financial products and the features and complexities of this specific product. Can make an informed investment decision based on the advice/recommendation of a regulated intermediary, supported by appropriate information and documentation from the product manufacturer Some financial industry experience 	✓
Advanced	<ul style="list-style-type: none"> Good knowledge and experience of relevant financial products and the features and complexities of this specific product Significant financial industry experience Still subject to advice at the point of sale from a regulated financial adviser 	✓



Target market – Client's age

Client's age	Description	Target customer
Under 18	<ul style="list-style-type: none"> The Prudential ISA is not a Junior ISA and is therefore not suitable for anyone under 18. 	
18-40	<ul style="list-style-type: none"> This age group is within the target market for the Prudential ISA however other products may be more appropriate for clients under age 40 depending on their specific needs and objectives. 	
41-85	<ul style="list-style-type: none"> The main target market for those looking for smoothed investment returns or those looking for potentially better investment returns than investing in cash. Towards the upper age range there may be more reluctance of those group to engage digitally in which case the Prudential ISA may not be a suitable product for them. 	
Over 85	<ul style="list-style-type: none"> Not in the main target market as less likely to be able to invest for the minimum 5-10 years investment horizon and more likely to be unable or unwilling to engage digitally. 	



Target market – Client's financial situation

Financial situation	Description	Target customer test	Availability
Constrained	<ul style="list-style-type: none"> No funds to invest. 	<ul style="list-style-type: none"> Not suitable for their needs 	
Limited	<ul style="list-style-type: none"> Savings less than £50,000 and/or fair level of ongoing funds to invest. 	<ul style="list-style-type: none"> May be suitable if client has remaining ISA Allowance and/or existing ISA funds to transfer to the Prudential ISA 	
		<ul style="list-style-type: none"> Not suitable if client has no remaining ISA Allowance and/or no existing ISA funds to transfer to the Prudential ISA. 	
Good	<ul style="list-style-type: none"> Savings of at least £50,000 and/or good level of ongoing funds to invest 	<ul style="list-style-type: none"> May be suitable if client has remaining ISA Allowance and/or existing ISA funds to transfer to the Prudential ISA 	
		<ul style="list-style-type: none"> Not suitable if client has no remaining ISA Allowance and/or no existing ISA funds to transfer to the Prudential ISA. 	



Target market – Client's risk tolerance

Risk tolerance	Description	Target customer
Zero to Low	The Prudential ISA isn't a Cash ISA and doesn't offer any funds that protect against capital loss therefore may not be suitable for a client who isn't able to accept a moderate fall in capital.	
Low to Medium	The Prudential ISA offers a range of risk managed passive and active Open-Ended Investment Company (OEIC) funds, access to the risk managed Prudential PruFund range of funds as well as the Prudential PruFund Growth and Cautious funds all which are aligned to customers risk profiles.	
Medium		
Medium to High		
Very High	Available fund choice doesn't extend to the highest risk ratings.	



Target market – Client's needs and objectives – who might the product be suitable for?

Category	Client need/objective	Description	Target customer
Savings	General savings	<ul style="list-style-type: none"> Client is looking to build a tax efficient savings pot and has sufficient ISA allowance to contribute to and/or has existing ISA funds to transfer in. 	
	ISA consolidation	<ul style="list-style-type: none"> Client is looking to consolidate their ISA assets together into one place for economies of scale and efficient management 	
Efficiency and performance	Tax-efficient growth	<ul style="list-style-type: none"> Client is looking for investment returns in excess of those available from cash, suited to their risk profile, in a tax-efficient manner 	
	Smoothed investment returns	<ul style="list-style-type: none"> Client wants to take out some of the uncertainty of investing in the stock market. Client understands that, by investing in the PruFund range of funds, although they won't suffer from the full effects of any downfalls in the market, they won't benefit from the full upside of any market rises as well. Client is willing to invest in a smoothed investment solution for some protection of those short-term ups and downs of direct stock market investments. 	
	Investment time horizon	<ul style="list-style-type: none"> Client is looking to invest for the medium to long term (5 to 10 years) as part of long-term planning. 	
	Environmental, Social and Governance (ESG) considerations	<ul style="list-style-type: none"> ESG is integrated into strategic asset allocation, manager oversight and stewardship processes for the PruFund range of funds available in the Prudential ISA. However, these PruFund funds do not have a specific sustainable objective. 	
Taking money out	Flexible income	<ul style="list-style-type: none"> Client is looking for the ability to take one-off and/or regular withdrawals, to cater for changing personal needs and circumstances. Client can take partial, and regular withdrawals if they aren't currently making regular contributions, from one or more fund holding held in their ISA, subject to the remaining value of that fund holding being at least £500. Full withdrawals are also available. <ul style="list-style-type: none"> – minimum partial withdrawal is £250 per fund – minimum regular withdrawal is £50 per fund 	



Target market – Client’s needs and objectives – who might the product be suitable for? – continued

Category	Client need/objective	Description	Target customer
Inheritance planning	Passing on ISA on death	<ul style="list-style-type: none"> Client is looking to be able to pass on the value of their ISA to their spouse/civil partner on their death. 	
Digital	Ability to access online	<ul style="list-style-type: none"> Client has an email address and accepts correspondence will be provided digitally rather than by post. In order to be able to register for online access, your client's email address must be unique to them. If a client shares an email address with someone who already has or is applying for a Prudential ISA at the same time, each client will need to provide an email address unique to them or neither will be able to register for online access, and they won't be able to access their documents. The product will adapt to your client's needs, e.g., where they become vulnerable, and WFI will look to offer alternative methods of engagement to continue meeting your client's needs. 	
Other	Under 40s	<ul style="list-style-type: none"> A Lifetime ISA may be more suitable to clients who are under 40 and are looking to build savings for retirement and/or a first house purchase. 	



Target market – Client’s needs and objectives – who might the product not be suitable for?

Category	Client need/objective	Description	Target customer
Efficiency and performance	Short-term investment horizon	<ul style="list-style-type: none"> The product is not suitable for clients looking to invest only for a very short period, i.e., less than 5 years 	
	Capital preservation	<ul style="list-style-type: none"> The product is not suitable for clients who are primarily looking for preservation of existing capital in all circumstances. 	
	Risk tolerance	<ul style="list-style-type: none"> The product is not suitable for clients who have zero risk tolerance, i.e., who want some form of protection of their capital, or who want to invest in very high-risk investments. 	
Digital	Doesn't want to interact digitally	<ul style="list-style-type: none"> The product is not suitable for clients who don't have, or are unwilling to provide, an email address as part of their Prudential ISA set up and engage with the product digitally, e.g., pick up their documents in their online document store. 	



For more information, please contact your Prudential Account Manager.

pruadviser.co.uk

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