Pru
part of M&G plc

Prudential Investment Plan

Target Market Information

This is based on Prudential's opinion and doesn't take into account individual circumstances.

What is the Prudential Investment Plan?

The Prudential Investment Plan is an investment bond that lets your client invest their money in a range of different funds and to cash it in at any time.

It aims to grow the value of your client's investment over the medium to long term (5-10 years) and let's them make tax-efficient withdrawals.

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

What type of investor is this suitable for?

Retail investor	Yes
Professional investor	Yes
Corporate investor	In some circumstances
Charities	No

How much knowledge does your client have?

		Target client
Basic Investor	• Basic knowledge of how investments work • Can make decisions based on regulated and authorised documents or with the right advice • No experience of the financial industry • Usually a first-time investor	Yes
Informed Investor	• Average knowledge of how investments work • Can make an informed decision based on regulated and authorised documents or with their own knowledge • Understands specific factors or risks • Some experience of the financial industry	Yes
Advanced Investor	• Good knowledge of how investments work • Good financial industry experience • Has access to professional investment advice	Yes

Key: Yes ✓ No ✗ In some circumstances ⁄

Target Market – Client's age

Client's age		Target client
Under 18	The minimum age for an owner of the bond is 18 years attained. The bond may not always be appropriate for those clients under 18 years of age. However, there may be exceptional cases whereby Prudential may approve a concession for an owner aged less than the minimum age of 18 years attained.	✗
18-40	The bond is appropriate for this age group.	✓
40-80	The main target market for new business to this bond.	✓
80-84	The bond is appropriate for this age group but this is not the main target market for new business.	✓
Over 84	The maximum age for an owner of the bond is 84 years attained. The maximum age applies to the life/lives assured only, there is no maximum age for the owner(s), where they differ from the life/lives assured. The bond may be appropriate for this age group but this is not the main target market for new business. An example of where the bond may be appropriate for this older age group is for a client seeking inheritance tax planning.	✗

What's your client's capacity to lose capital?

How much capital loss can they take?	Definition	Target client	Comments
Unlimited	Clients can afford to lose all capital.	✓	You can offer this product to a client who is able to lose all capital.
Limited	Clients are looking to keep their capital or can afford to lose a certain amount, set by the product.	✓	You can offer this product to a client who is able to accept a limited fall in capital.
None	Clients can't accept any capital loss.	✗	You shouldn't offer this product to a client that can't lose capital. Capital Guarantees are currently available on the PruFund Range of Funds

Target Market – Investment Amount

Investment Amount		Target client
Less than £10k	The minimum investment for the bond is £10k. The bond may not always be appropriate for an investment of less than £10k. An ISA may provide a more tax efficient investment for these investment amounts. However, the bond may be appropriate where ISA and Pension allowances have been fully used.	
£10k – £50k	The minimum investment for the bond is £10k. The bond may be appropriate for an investment of between £10k and £20k, assuming ISA and Pension planning has been completed and relevant tax allowances fully used.	
More than £50k	The minimum investment for the bond is £10k. The bond is appropriate for an investment of £50k or more. Particularly if there is a requirement for withdrawals.	

What's your client's risk appetite?

This is Prudential's view of investment risk, and may differ from others.

High Medium – High	**Can they invest?**	This product may be suitable for a client who is able to accept a fall in capital.
Medium Low – Medium	**Can they invest?**	This product may be suitable for a client who is able to accept a moderate fall in capital.
Low	**Can they invest?**	This product may not be suitable for a client who isn't able to accept a moderate fall in capital. This is dependent upon the fund selected.

How does this product meet your client's objectives and needs?

Client's need/ objective		Please note:	Target client
Preservation of capital	A capital guarantee is currently available on the PruFund range of Funds.		⊘
Growth	The available funds offer the opportunity for capital growth.	If your client takes more money out of the plan, including charges, than the amount of growth, this will reduce the value of the investment.	✓
Income	Clients can take a maximum regular withdrawal per annum of 7.5% of the fund value or premium paid if higher. They can also take natural income if invested in the Distribution Income Funds.		✓
Time Horizon	The recommended investment period is 5 to 10 years or more.		
Maturity Date	This is a whole of life product so has no fixed maturity date.		
Change Investments	Client is looking to possibly move money between funds within the bond.	Frequent switching could incur losses, depending on the performance of the funds.	✓
Add more money	Client is looking to add more money to their bond. It is possible to add more money to the bond, subject to product and trust rules.	The minimum investment amount for adding more money is £10,000, and it is important for the investment time horizon to still match that of the bond horizon (i.e. at least 5 to 10 years or more).	✓
Pass product on	Client is looking to gift all or part of the bond to their beneficiaries on or before their death.	There are potential tax implications to assigning a bond.	✓
Smoothed Investment Funds	Client is looking for protection from some of the short-term ups and downs of direct stock market investments by using a with-profits fund with a smoothing process.		✓

Wide range of fund selection	Client is looking for access to a wide range of funds, covering different asset categories and risk attitudes	The funds have different risk ratings, it is important to match the risk rating of the fund to the risk appetite of the client.	
Cash	Client is looking to hold money in cash as part of their investment choice. The bond will include a cash account.	Cash is not suitable as a long term investment, as inflation and charges will erode the value of the bond.	
Income tax Efficiency	Client is looking for a tax efficient income. Income tax on withdrawals up to 5% p.a.of the total amount invested is deferred until 100% of the invested amount is reached. Further tax may be payable depending on the tax status of the client.	If regular withdrawals of more than 5% p.a. of the total amount invested are required, income tax may be due immediately	
Inheritance Tax Efficiency	Client is looking to reduce the inheritance tax due on their estate at their death. A bond can be gifted into a trust which may offer inheritance tax benefits	Trusts are a popular way to gift money to reduce the value of a client's estate. They are complicated and care is needed to ensure they are used appropriately	
Capital Gains Tax Efficiency	Client is looking to reduce Capital Gains Tax paid on their investments. Bonds do not have a capital gains tax liability – unless they have been sold on.	A second-hand bond may have a capital gains tax liability.	

How do your clients invest in this product?

Execution Only		This product shouldn't be sold on an Execution Only basis.
Non-Advised		This product shouldn't be sold on a Non-Advised basis.
Advised		This product is available on an Advised basis.

How do you assess price and value for the product?

Our approach to assessing fair value considers the product or service as a packaged product. It makes allowance for the individual components which we manufacture that make up the packaged product. It makes no allowance for any adviser charges that we may facilitate. Please see our Consumer Duty webpages **mandg.com/pru/consumer-duty** which provide details on how we undertake value assessment.

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 client outcomes that could result from the product's design, management or administration. This includes an assessment of the clients and client groups within the target market as well as an assessment that considers clients with characteristics of vulnerabilities and those with protected characteristics.

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

Vulnerable clients

We appreciate clients could find themselves in vulnerable circumstances at any time whilst invested in this product. We will aim to ensure that vulnerable clients invested in this product continue to be treated fairly and receive the same outcomes as other clients.

For more information, please contact your Prudential Account Manager.

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