Pru

part of M&G plc

Fund Guide

Your international unit-linked fund guide

Introduction to this guide

We know that choosing which fund may be best for you isn't easy – there are many options and everyone's different so there's no "one way" to invest.

So we offer a range of options to help you meet your investment goals.

We've produced this guide to help you and your financial adviser understand more about our funds. If there's information or terminology included that you'd like to discuss, then please contact your financial adviser.

The funds in this guide are available to most investors in the following products:

- Flexible Life Plan
- Flexible Protection Bond
- Prudence Portfolio Bond
- Long Term Care Bond
- Personal Investment Bond
- Flexible Critical Illness Plan
- Building Society Bond

Some important notes we'd like you to read:

- We'd like everyone to find it easy to deal with us. Please let us know if you need information about our products and services in a different format.
- All our literature is available in audio, large print or braille versions. If you would like one of these please contact us on 0345 640 2000 and we'll send these out to you.
- The types of assets a fund invests in will have a significant effect on its performance. Generally, the higher the potential returns, the higher the risk.
- A fund's name isn't indicative of the risk it may take.
- The information in this guide is correct as at 14 February 2022, unless another date is shown.
- This guide doesn't take account of current market conditions or other short-term fund specific changes. Up to date information on each fund can be found at **pru.co.uk/funds**
- All views are Prudential's.

Before making any decisions you should speak to your financial adviser. They can discuss and help you understand your fund selection.

Risk and potential reward

Asset class risk types

Learn more about asset classes and their risk

You should read this section to find out more about the different types of assets or types of things funds invest in, and the risks that they have. We've included this as later in the guide we'll show which asset types and associated risks are applicable to different funds we offer.

Funds can invest in different types of assets. Here we explain the risks of each.

There are many types of risks but generally, the higher the potential returns, the higher the risk.

Some funds can invest in more than one asset type to try to reduce the risk of losing money. So they're not relying on the performance of an individual asset or assets of the same type. We call this diversification.

See pages 14 and 15 for how the following asset class risk types relate to individual funds.

Equity

Equities are commonly known as 'shares'. When a fund buys an equity, it's investing in a company and, in exchange, receives a share of the ownership of that company. Equities give two potential investment benefits:

- equity prices normally increase if the value of the company increases, although the value of equities can go down and up a lot.
- companies may pay dividends – regular payments to shareholders based on how well the company is doing.

Over the longer-term, equities can offer greater growth potential than many other asset types.

But the value of equities can go up and down a lot. Funds investing in equities tend to carry a higher risk of capital loss than funds investing in fixed interest securities or money market investments (we'll talk about this later in this section).

The financial results of other companies and general stock market and economic conditions can all affect a company's share price, and as a result the value of any fund investing in that company.

Where a fund invests in equities, we've rated the fund as having a risk type of "Equity".

Fixed Interest and Index-Linked Securities

Fixed interest securities or "bonds", are loans issued by companies or by governments in order to raise money. Bonds issued by companies are called Corporate Bonds, those issued by the UK government are often called Gilts or UK Government bonds and those issued by the US government are called Treasury Bonds. In effect all bonds are IOUs that promise to pay you a sum on a specified date and pay a fixed rate of interest along the way.

Index-linked securities are similar but the payments out are normally increased by a prices index. For example, for UK government index-linked securities, payments out go up in line with the UK Retail Prices Index.

On the whole, investing in government or corporate bonds is lower-risk than investing in equities. The British Government has never failed to pay back money owed to investors. (Source: Debt Management Office, December 2021).

However, it's possible for a government bond to default. And with corporate bonds there's a risk that the company may not be able to repay its loan or that it may default on its interest payments.

You can reduce the risks related to investing in bonds if you invest through a bond fund. When a fund manager selects a range of bonds, you're less reliant on the performance of any one company or government. If the fund reinvests the bond income it generates, it can be used to provide attractive levels of growth. But, there's a risk you might not get back the amount you invest and the income you receive is neither fixed or guaranteed.

Corporate and government bonds are sensitive to interest rate trends. An increase in interest rates is likely to reduce their value, and the value of any fund investing in them.

Where a fund could be exposed to these types of risk, we've rated the fund as having a risk type of "Fixed Interest".

Commercial Property

Commercial property investment generally means the fund is sharing in the returns from the ownership of some buildings (for example, offices and shopping centres). The value of the property may go up and tenants may pay rent to the owners of the building.

Investment in property can be done either directly (eg owning physical property) or indirectly (eg owning shares in a property company as part of a diversified range of assets).

The return from investing in property is a combination of rental income and changes in the value of the property; which is generally a matter of a valuer's opinion rather than fact. We think property is lower risk than equities, but higher risk than bonds over the long-term.

But commercial properties can be difficult to buy and sell quickly. Fund managers may have to delay withdrawal of money by customers from a property fund until they can sell some of the buildings the fund invests in. It may take a number of months to sell commercial property.

The actual value of a property is what someone is prepared to pay for it – an actual sale value. As sales are infrequent, interim valuations are based on a valuer's opinion and can change from time to time. This can affect the value of a fund invested in commercial property, with the value possibly fluctuating significantly.

All of this means there are a number of risks for funds investing in property:

- Cash could remain uninvested as property assets can be difficult to buy, leading to lower returns than expected.
- The value of the fund may be reduced if a large number of withdrawals are requested and it's necessary for properties to be sold at reduced prices.
- There may be delays removing your money from the fund if property is proving difficult to sell.
- Property fund valuations may change periodically, upwards or downwards.
- Rental income isn't guaranteed. Defaulted rent and unoccupied properties could reduce returns.
- If the size of the fund falls significantly, the fund may have to hold fewer properties, and this reduced diversification may lead to an increase in risk.
- In some circumstances we may suspend one or more of our Property Funds to protect the interests of our investors. If this happens we'll write to investors to let them know.

Where a fund could be exposed to these risks, we've rated the fund as having a risk type of "Property".

Currency Risk and Non-UK Investments

Non-UK investments allow you to take advantage of the growth potential of global markets, but currency changes can affect their value.

Because the value of non-UK investments is converted from the non-UK currency into the local currency of the fund (Sterling, Euro or US Dollars), the local currency fund value can fall if the non-UK currency weakens against the local currency of the fund, independently of the performance of the asset itself.

Where a significant proportion of a fund is invested in assets outside the local currency of the fund, we've rated the fund as having a risk type of "Currency".

There's no currency risk where the overseas investment is in the same currency as the fund currency (e.g. the Euro fund investing in Italian equities).

Smaller Companies and Emerging Markets

In comparison to larger companies, shares of smaller companies may be harder to trade and short-term performance may be more volatile. There may also be more chance the companies will become insolvent. Funds which invest in small companies can have volatile returns and a greater risk of capital loss.

Some investments are in markets which are less developed than the UK market. In such markets, the ability to trade, and the safe keeping of assets on behalf of the fund, and especially regulation may all be poorer than in well developed markets. This means increased risk for your investment.

Where a fund could have these types of risk, we've rated it as having a risk type of "Smaller Companies and Emerging Markets".

Financial Instruments

Fund managers can use several financial arrangements with the aim of improving fund performance. Some of the most common are:

Derivatives: These cover products such as futures and options which are generally an arrangement to buy or sell a standard quantity of a specified asset on a fixed future date at a price agreed today. This type of investment may carry a higher risk of capital loss than funds investing in other assets.

Derivatives usually rely on a counterparty – the person or company with which the fund manager has made the agreement about future deals. If the counterparty gets into financial difficulty, it may be difficult to obtain a price for valuations or for the investment manager to dispose of the asset – that creates risk to the value of the fund. There's a risk of capital loss in the event of the counterparty to the derivative becoming insolvent or suffering other financial difficulties. In such circumstances the derivative may have no value.

Geared Assets: Funds that are geared or borrow assets or which use short-selling (where a stock is borrowed then sold and bought back before being returned to where they were borrowed from) are likely to be more volatile than other funds and there's a higher risk of capital loss.

Where a fund could be exposed to these types of risk, we've rated it as having a risk type of "Financial Instruments".

Alternative Investments

These include non-traditional, complex or specialist investments such as hedge funds, private equity and complex derivative based strategies. They can be more difficult to value and can take longer to buy or sell. Alternative investments can be more difficult to value and can take longer to buy or sell.

Where a fund could be exposed to these types of risk, we've rated it as having a risk type of "Alternative Investments".

Other

We've rated a number of funds as having a risk type of "Other".

In addition to the risks and characteristics of the individual asset types, specialist investments have other features that are unique to where they invest.

Specialist funds

Specialist funds invest in particular markets or geographical areas. Because they invest in a smaller range of asset types, they tend to be more risky than non-specialist funds, but can deliver greater returns.

Ethical funds

Ethical funds are restricted from investment in certain companies and asset types due to the criteria used to select investments for the fund. This may mean that the returns from the fund are more volatile than funds which don't have these restrictions.

Small number of holdings

The fund may have investment concentrated in relatively few individual assets. So, returns from the fund can be significantly influenced by the performance of a small number of individual holdings and may be more volatile than funds with a wider spread of underlying assets.

Low risk assets

Some funds keep a proportion of your money in cash deposits and other money market investments. Over the long-term, money market investments may offer the lowest risk of all asset types but also the lowest potential returns. Some funds hold money market investments because they're aiming for security more than substantial growth. Others hold just enough in cash deposits to make sure money is available for customer withdrawals. Over the long term, money market investments can be a low risk asset type but may also produce low returns compared to other asset types.

A money market investment is at risk if any of the banks, building societies or other financial institutions with whom the fund's money is deposited becomes insolvent or suffers other financial difficulties. If this happens, the money deposited with that institution may not be returned in full. Some money market investments will be affected if interest rates rise, leading to a drop in value of any fund holding them.

Protected/guaranteed funds

Where available, some funds may offer some form of protection from downside risks (ie the potential for falls in value) for which there will be a charge and which will normally have an impact on long-term returns. The protection may be provided through the use of derivative contracts and this may give rise to counterparty risk(see earlier 'Derivatives' explanation) and liquidity problems. Please note, PruFund Protected Funds are currently unavailable to new investments.

The provision of the guarantees may result in a significant proportion of the fund being invested in cash and other lower risk investments.

Where a fund could be exposed to these types of risk, we've rated it as having a risk type of "Other".

A note about Cash

Investments in cash or cash-like funds could potentially be affected by inflation and/or charges. Inflation could mean your money is less able to buy what it could before and charges will reduce the value of a cash or cash-like fund over time.

Further information

If you're looking for more information on these risks then please speak to your financial adviser.

Risk and potential reward

Risk and Potential Reward Indicator

Learn how we rate the risk of the funds

We've included this so you can understand what the different numbers next to each fund, in the next few pages, mean.

Investing is about balancing the risk you're comfortable with alongside the potential rewards that you want to achieve. Your attitude to investment risk is personal to you and may change in the future.

The table opposite can help illustrate this concept. It's not exhaustive, but covers a wide range of funds and investments and shows the general principle that, as the level for potential higher returns goes up so does the level of risk. On pages 14 and 15 you can see how these risk and potential reward indicator numbers relate to our funds.

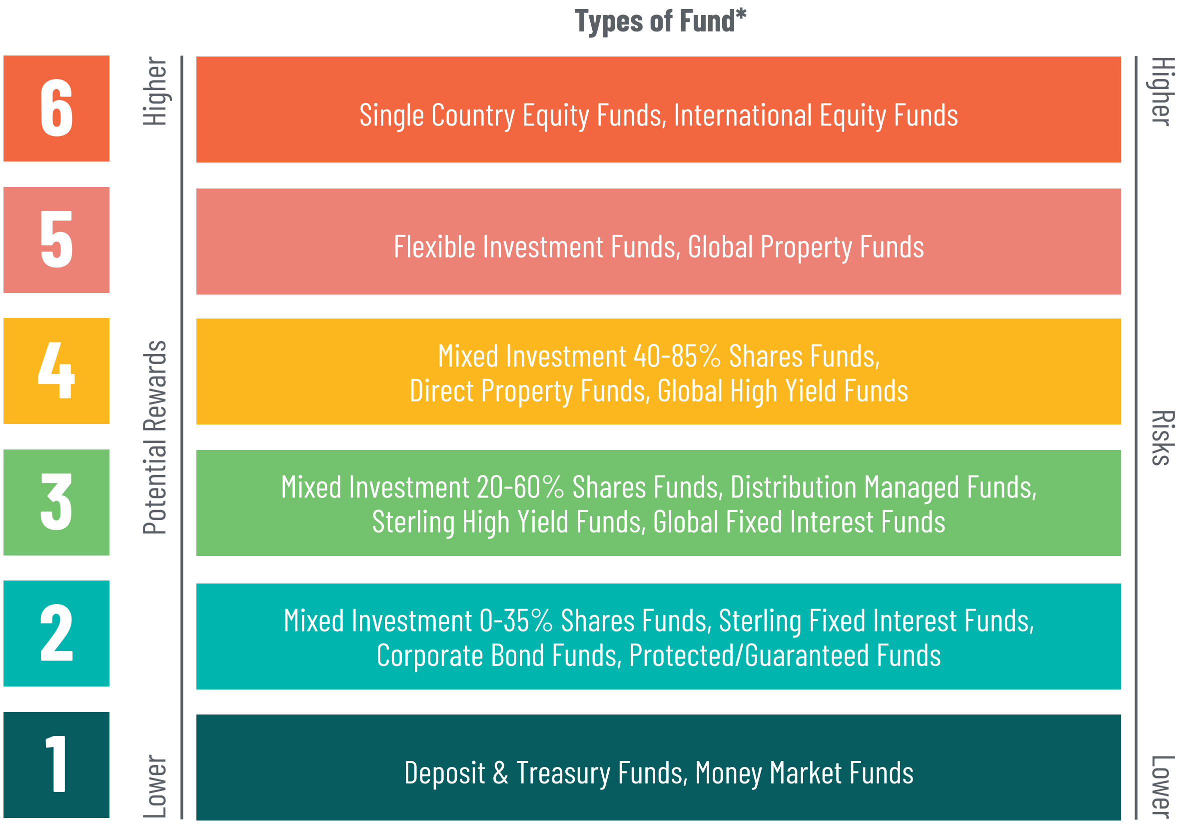
Some key things to think about:

- The value of your investment can go down as well as up so you might get back less than you put in.
- The types of assets a fund invests in will have a significant effect on its performance. Generally, the higher the potential returns, the higher the risk.
- A fund's name isn't indicative of the risk it may take.
- For investments in the Prudential Assurance Company (PAC) With-Profits Range of funds, the value of the policy depends on the profits made by the With-Profits Fund of The Prudential Assurance Company Limited and how these profits are distributed.
- We've developed these risk rating categories to help provide an indication of the level of risk and potential reward that's attributable to a fund based on the type of assets which may be held within the fund.
- Other companies may use different descriptions and as such these risk rating categories should not be considered as generic to the fund management industry.
- Prudential International will keep the risk rating categories under regular review and as such they may be subject to change in the future.
- Where a risk rating is amended as a result of a material change in our view of the level of risk for the fund, for example due to a significant change to the assets held by the fund or in the way the fund is managed, we'll provide information on the new risk rating.
- We strongly recommend that before making any fund choice you ensure you understand the appropriate risk ratings. You'll find this information in this fund guide.

You should also consider discussing your decision with your financial adviser. It's important to also note that your adviser may make their own assessment of the risk rating of funds when considering your needs and objectives, and this may differ from Prudential's own internal assessment.

The information included in this guide is correct as at 14 February 2022, unless another date is shown.

Risk and potential reward indicator



* **Types of Fund**

These are mostly based on sector classifications by the Association of British Insurers (ABI). The description used may match an individual ABI sector name or be a Prudential International suggested description for a grouping of similar sectors. Where a fund is classified by the ABI then we'll use the sector it's in as a starting point to think about its appropriate position in the scale above. But please note that each fund is considered individually and membership of an ABI sector doesn't automatically imply a particular risk and potential reward indicator number.

Prudential International funds are not normally included in ABI sectors. But for this guide, we've matched each of our unit-linked funds against an ABI sector, where one is appropriate, to help indicate in broad terms the type of asset that may be held by that fund.

Further information

You'll find an explanation of each of the ABI sector classifications on **pru.co.uk/abi**

Fund information

Explanations we think you should read

Learn about what can impact your fund value and about charges and costs

This section can help you understand a bit more about the factors that can impact funds and what we mean by fund charges and further costs.

Non-UK Investments

For the funds which can invest in stocks or shares, not all the assets will be denominated in the local currency of the fund and so the value of each of the funds could be affected by prevailing exchange rates. Changes in the rate of exchange between currencies may cause the value of your investment to go down or up.

The Fund Value

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

How Unit-Linked Funds Invest

Some of the Prudential International funds listed in this guide may invest in 'underlying' funds or other investment vehicles. Have a look at a fund's objective and that will tell you where it invests – including if that's in an underlying fund or funds.

If the Prudential International fund is investing in just one underlying fund then it's what's known as a 'mirror' fund, as the performance of the Prudential International fund broadly aims to reflect the performance of the underlying fund it invests in. The performance of our Prudential International fund, compared to what it's invested in won't be exactly the same. The differences between the underlying fund and our fund can be due to:

- additional charges,
- cash management (needed to help people to enter and leave our fund when they want),
- tax,
- timing of investments (this is known as a fund's dealing cycle, it varies between managers and can be several days).

Fund Charges and Further Costs

Annual Management Charge

We take an Annual Management Charge (AMC) for looking after your investment, from each of the funds you invest in. Any further costs shown are expenses which are borne by the fund. Together they add up to the yearly total (%). These are shown on pages 14 and 15. We might change our charges in future.

In general the AMC is taken by the deduction each day of 1/365th of the applicable Annual Management Charge, from the relevant investment-linked fund.

Further costs

In addition to our annual charges, there may be further costs incurred. Where these are applicable, they're paid for by the fund and will impact on the overall performance. Some examples of what these further costs might include are shown below. These aren't listed in order of importance, they won't necessarily apply to all funds, and this isn't an exhaustive list.

Name	What this means	Where applicable, are they included in the further costs figures we show in this fund guide and/or illustration?
Miscellaneous fund administration fees and costs	There can be a number of different administration fees and costs associated with funds. These can include, for example, audit fees, custody fees, infrastructure costs, registrar fees, regulatory fees, stock lending fees, and trustee fees.	Yes.
Performance fees	In some funds the fund managers are paid a fee depending on how they perform.	No, but if they're applicable they will impact on the performance of a fund.
Property expenses	For funds that invest in property, either directly (i.e. the fund owning physical property) or indirectly (i.e. owning units in a property fund or shares in a property company) there are costs incurred for managing these properties. These can include costs for development, maintenance, oversight and renovation of the properties held, collecting rents, and managing tenants, as well as running costs that cannot be passed onto tenants.	Yes.
Transaction costs	When a fund manager trades the investments in a fund (for example, makes a decision to sell one holding and buy another) there are associated costs, for example taxes.	No, but if they're applicable they will impact on the performance of a fund.

Further costs might be incurred by a Prudential International fund or, where it's applicable, any fund our fund invests in (see the 'Objectives and fund investments' for information on where a fund might invest).

Fund charges and further costs may vary in future and they may be higher than they are now. We'll write to you if an AMC changes for a fund you're invested in. As it's normal for further costs to vary over time we won't contact you when they change. If fund charges and further costs exceed the return earned, the fund will go down in value.

If you have any questions about this product, your fund choice or the fund charges and further costs applicable then we recommend you speak to your financial adviser.

The further costs listed in this guide are indicative, based on the current levels of costs, and are correct as at 14 February 2022, unless another date is shown.

Further Information

The funds shown in this guide are not available for top-ups to the Building Society Bond, although it's currently possible to convert to the funds shown on pages 14 and 15 after at least 12 months of an investment being made. The Building Society Bond isn't available for new business.

You may choose to move some or all of your investment to a wider portfolio. If you pay in a top-up investment, you'll have a choice to invest in our Building Society Fund or to invest in the full range of funds available at that time.

If you invest your top-up into the Building Society Fund, then you may subsequently choose to move some or all of the bond value relating to that investment into a wider range of funds.

For the Prudence Portfolio Bond, you're not restricted to the funds shown in the guide, you're able to invest in permitted investments such as unit trusts or other collective investments. You can get information on the investment choices from your financial adviser.

If the taxation treatment of the funds changes, we reserve the right to change the arrangements for the investment of the underlying assets of the fund.

If you have any questions about this product, your fund choice or the costs and charges applicable then we recommend you speak to your financial adviser.

You can find details of how we manage our Unit-Linked funds at **www.pru.co.uk/funds/psulpp**. You'll also find there a shortened customer friendly version, our "Customer Guide", which explains briefly how the Prudential unit-linked funds work, our current approach to managing them, and the standards and practices we use to manage the funds. Principally, this Customer Guide will explain:

- the nature and extent of the decisions we take to manage the funds, and
- how we treat customers and shareholders fairly.

For any fund, there may be a delay in buying, selling or switching of units. These delays will only apply in exceptional circumstances. We wouldn't expect delays to be longer than six months for units that invest in property or land and one month for units that invest in other funds. However we can't guarantee that we'll never delay longer than these timescales. If these delays apply to you, we'll let you know.

Compensation (UK residents only)

Prudential International exceeds its capital requirements and is financially strong. However, in the unlikely event that Prudential International, the fund manager, Prudential in the UK or the custodian of fund assets should fail to meet their financial obligations, you may face financial loss. Prudential International products will not be covered by a government-backed financial guarantee scheme, including the FSCS in the UK.

Further information

For more information on the above, please refer to your Contract Conditions which you can get from your financial adviser.

Fund information

Funds, ABI sectors, asset class risk types, risk and potential reward indicators and fund charges and further costs

Learn about the funds available to you

We’ve included this information to help you quickly see the range of funds we offer and the risks they have.

Funds	Association of British Insurers (ABI) Sector	Asset Class Risk Types								Risk and Potential Reward Indicator	Fund Charges and Further Costs		
		Equities	Fixed Interest	Property	Currency	Smaller Companies and Emerging Markets	Financial Instruments	Alternative Investments	Other		Annual Management Charge (%)	Further Costs (%)	Yearly Total (%)
PIA Adventurous Managed (Sterling) Fund (£)	Global Equities	✓			✓					6	1.75	0.05	1.80
PIA Adventurous Managed (US Dollar) Fund ($)	Global Equities	✓			✓					6	1.75	0.02	1.77
PIA Balanced Managed (Sterling) Fund (£)	Mixed Investment 20-60% Shares	✓	✓							4	1.75	0.06	1.81
PIA Balanced Managed (US Dollar) Fund ($)	Mixed Investment 20-60% Shares	✓	✓		✓					4	1.75	0.03	1.78
PIA Conservative Managed (Sterling) Fund (£)	Mixed Investment 0-35% Shares	✓			✓				✓	2	1.75	0.07	1.82
PIA Conservative Managed (US Dollar) Fund ($)	Mixed Investment 0-35% Shares	✓			✓					2	1.75	0.04	1.79
PIA Euro Deposit Fund (€)	Money Market								✓	1	1.50	0.00	1.50
PIA European Index Tracker Fund (€)	Europe ex UK Equities	✓			✓					6	1.75	0.02	1.77
Invesco Managed Growth Fund	Flexible Investment	✓	✓		✓	✓	✓		✓	5	2.00	0.33	2.33

Funds	Association of British Insurers (ABI) Sector	Asset Class Risk Types								Risk and Potential Reward Indicator	Fund Charges and Further Costs		
		Equities	Fixed Interest	Property	Currency	Smaller Companies and Emerging Markets	Financial Instruments	Alternative Investments	Other		Annual Management Charge (%)	Further Costs (%)	Yearly Total (%)
M&G Corporate Bond Fund (£)	Sterling Corporate Bond		✓		✓				✓	2	2.00	0.01	2.01
M&G Dividend Fund (£)	UK Equity Income	✓								6	1.85	0.01	1.86
M&G Gilt & Fixed Interest Income Fund (£)	UK Gilts		✓							4	1.75	0.09	1.84
M&G Managed Growth Fund (£)	Flexible Investment	✓			✓					5	1.85	0.01	1.86
PIA UK Deposit Fund (£)	Money Market								✓	1	1.50	0.05	1.55
PIA UK Equity Fund (£)	UK All Companies	✓								6	1.75	0.06	1.81
PIA UK Index Tracker Fund (£)	UK All Companies	✓								6	1.75	0.01	1.76
PIA US Dollar Deposit Fund ($)	Money Market								✓	1	1.50	0.00	1.50
PIA US Index Tracker Fund ($)	North America Equities	✓								6	1.75	0.00	1.75

The funds shown in this guide are not available for top-ups to the Building Society Bond, although it's currently possible to convert to the funds after at least 12 months of an investment being made. The Building Society Bond isn't available for new business.

Further information

You'll find an explanation of each of the ABI sector classifications on **pru.co.uk/abi**

Fund Information

Objectives and fund investments

Learn about the investment strategies of our funds

We've included this information so you can understand what each of the funds aim to do and where your money might be invested.

The following funds have been selected and made available to you by Prudential International.

The choice of funds covers a range of different assets and types of funds which could be right for you at different times. Some of the funds are managed by Prudential International whilst others are managed by external fund managers.

The following funds are all Prudential International funds. For the externally managed funds the Prudential International fund will invest in the fund manager's own fund or collective investment scheme unless otherwise stated.

The objectives of the externally managed funds are sourced directly from the external fund managers, and Prudential International only updates the objectives as and when the underlying fund objectives are updated.

PIA Adventurous Managed (Sterling) Fund (£)

Objective: The fund aims to maximise the total long term growth (the combination of income and growth of capital) in Sterling.

Fund Investments: The fund will invest in a portfolio of international equity funds and cash. Growth opportunities may be pursued through significant weightings in individual market sectors.

PIA Adventurous Managed (US Dollar) Fund ($)

Objective: The fund aims to maximise the total long term growth (the combination of income and growth of capital) in US dollars.

Fund Investments: The fund will invest in a portfolio of international equity funds and cash. Growth opportunities may be pursued through significant weightings in individual market sectors.

PIA Balanced Managed (Sterling) Fund (£)

Objective: The fund aims to maximise long-term growth (the combination of income and growth of capital).

Fund Investments: The fund will invest in a portfolio of international equity funds, international (including UK) fixed income funds and cash. The fund is denominated in sterling.

PIA Balanced Managed (US Dollar) Fund ($)

Objective: The fund aims to maximise long-term growth (the combination of income and growth of capital).

Fund Investments: The fund will invest in a portfolio of international equity funds, international fixed income funds and cash. The fund is denominated in US dollars.

PIA Conservative Managed (Sterling) Fund (£)

Objective: The fund aims to maximise the total long term growth (the combination of income and growth of capital) in Sterling.

Fund Investments: The fund will have a high exposure towards lower risk assets such as international fixed income funds and cash instruments. The fund also invests in international equity funds.

PIA Conservative Managed (US Dollar) Fund ($)

Objective: The fund aims to maximise the total long term growth (the combination of income and growth of capital) in US Dollars.

Fund Investments: The fund will have a high exposure towards lower risk assets such as international income funds and cash instruments. The fund also invests in international equity funds.

PIA Euro Deposit Fund (€)

Objective: The investment strategy of the fund is to provide a return consistent with investing in interest bearing deposits and high quality short-term fixed interest securities, before charges.

Fund Investments: Can invest in Euro denominated interest-bearing deposits and high quality short-term fixed interest issues, pooling the cash of investors to achieve fund objectives.

PIA European Index Tracker Fund (€)

Objective: The investment strategy of the fund is to purchase units in the Legal & General European Index Trust – the underlying fund.

Underlying Fund Objective: The fund aims to provide growth by tracking the performance of the FTSE World Europe ex UK Index. The fund will invest almost entirely in company shares. The fund's investments will closely match those that make up the Index. The Index consists of a broad spread of European company shares (excluding UK companies).

Invesco Managed Growth Fund (£)

Objective: The investment strategy of the fund is to purchase units in the Invesco Managed Growth Fund – the underlying fund.

Underlying Fund Objective: The fund aims to achieve long-term (5 years plus) capital growth. The fund invests at least 80% of its assets in collective investment schemes (including funds managed by the Invesco group) which invest in a broad range of assets including shares or other equity related securities and corporate and government debt securities (including investment grade, non-investment grade and unrated). In pursuing the fund's investment objective, the fund manager may consider it appropriate to also invest in other transferable securities (including shares of companies), money market instruments, other collective investment schemes (including funds managed by the Invesco group), deposits and cash. The fund may use derivatives for efficient portfolio management purposes only, to reduce risk, reduce costs and/or generate additional capital or income. The fund invests in collective investment schemes which may use derivatives for investment purposes and/or for efficient portfolio management.

M&G Corporate Bond Fund (£)

Objective: The investment strategy of the fund is to purchase units in the M&G Corporate Bond Fund – the underlying fund.

Underlying Fund Objective: The fund aims to provide a higher total return (the combination of capital growth and income), net of the Ongoing Charge Figure, than the average return of the IA £ Corporate Bond Sector over any five-year period. At least 70% of the fund is invested, directly or indirectly through derivatives, in investment grade corporate debt securities including investment grade Asset-Backed Securities. These securities can be issued by companies from anywhere in the world, including Emerging Markets. These securities are denominated in sterling or hedged back to sterling.

Other investments may include: 1. debt securities issued or guaranteed by governments and their agencies, public authorities, quasi-sovereigns and supranational bodies, denominated in any currency; 2. below investment grade and unrated debt securities; 3. below investment grade and unrated Asset-Backed Securities; 4. other transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G). Investments in Asset-Backed Securities are limited to 20% of the fund. Derivatives may be used for investment purposes, efficient portfolio management and hedging.

M&G Dividend Fund (£)

Objective: The investment strategy of the fund is to purchase units in the M&G Dividend Fund – the underlying fund.

Underlying Fund Objective: The fund has three aims: 1. to provide an annual yield higher than that of the FTSE All-Share Index; 2. to provide an income stream that increases every year; 3. to provide a higher total return (the combination of capital growth and income), net of the Ongoing Charge Figure, than that of the FTSE All-Share Index over any five-year period. At least 70% of the fund is invested in equity securities and equity-related securities of companies across any sector and market capitalisation, that are incorporated, domiciled, listed or do most of their business in the United Kingdom. The fund may also invest in other transferable securities, including the shares of non-UK companies, cash and near cash directly or via collective investment schemes (including funds managed by M&G). Derivatives may be used for efficient portfolio management and hedging.

M&G Gilt & Fixed Interest Income Fund (£)

Objective: The investment strategy of the fund is to purchase units in the M&G Gilt & Fixed Interest Income Fund – the underlying fund.

Underlying Fund Objective: The fund aims to provide a higher total return (the combination of capital growth and income), net of the Ongoing Charge Figure, than that of the FTSE UK Conventional Gilts All Stocks Index over any five-year period. At least 70% of the fund is invested, directly or indirectly through derivatives, in investment grade short, medium and long-dated gilts. These securities are issued or guaranteed by the UK government, and denominated in sterling. Other investments may include transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G). Derivatives may be used for investment purposes, efficient portfolio management and hedging.

M&G Managed Growth Fund (£)

Objective: The investment strategy of the fund is to purchase units in the M&G Managed Growth Fund – the underlying fund.

Underlying Fund Objective: The fund aims to provide a higher total return (the combination of capital growth and income) net of the Ongoing Charge Figure, than the average return of the IA Flexible Investment Sector over any five-year period. It is a multi-asset fund that invests at least 70% of its assets in other collective investment schemes in order to gain exposure to assets from anywhere in the world, including equities, fixed income, convertibles, cash, or near cash. The fund may also invest directly in these assets. In aggregate, the fund will invest at least 70% of its assets in equities, either directly or via collective investment schemes. Derivatives may be used for investment purposes, efficient portfolio management and hedging.

PIA UK Deposit Fund (£)

Objective: The investment strategy of the fund is to provide a return consistent with investing in interest bearing deposits and high quality short-term fixed interest securities, before charges.

Fund Investments: Can invest in Sterling denominated interest-bearing deposits and high quality short-term fixed interest issues, pooling the cash of investors to achieve fund objectives.

PIA UK Equity Fund (£)

Objective: The investment strategy of the fund is to purchase shares in UK companies via other M&G funds. It is a "fund of funds" holding units in several more specialised UK equity funds to give access to a variety of methods for generating investment returns in differing market conditions.

Fund Investments: At least 80% of the underlying funds' Net Asset Value is directly invested in equity securities and equity-related securities of companies that are incorporated, listed, domiciled or do most of their business in the United Kingdom. The underlying funds may also invest in other transferable securities, cash, and near cash, directly or via funds (including funds managed by M&G) and may use derivatives for efficient portfolio management and hedging.

PIA UK Index Tracker Fund (£)

Objective: The investment strategy of the fund is to purchase FTSE 100 futures. The fund aims to track the performance of the FTSE 100 Share Index as closely as possible.

Fund Investments: The FTSE 100 comprises the 100 largest companies traded on the London Stock Exchange, many of which are household names. It covers all sectors of the UK market, from banks and insurance companies to industrial groups.

PIA US Dollar Deposit Fund ($)

Objective: The investment strategy of the fund is to provide a return consistent with investing in interest bearing deposits and high quality short-term fixed interest securities, before charges.

Fund Investments: Can invest in US Dollar denominated interest-bearing deposits and high quality short-term fixed interest issues, pooling the cash of investors to achieve fund objectives.

PIA US Index Tracker Fund ($)

Objective: The investment strategy of the fund is to purchase S&P 500 futures. The Fund aims to maximise total long term return (the combination of income and growth of capital), by broadly tracking the composition of the S&P 500 Index.

Fund Investments: The S&P 500 index covers all sectors of the US economy and is the index most widely used by analysts. The fund is denominated in US Dollars.

Some useful investment terms

Learn about some investment related terms

This is a high-level guide to some useful investment terms. It's not meant to cover every term you may come across and you may not find each item in the glossary within this guide. Please speak to your financial adviser if you need help or want to know more about terms used around investments.

"Blue Chip" Companies

Companies which are large, and considered to be reputable and financially sound.

Bonds (and Fixed Interest Securities)

All bonds are really just IOUs that promise to pay an amount of money on a specified date and pay a fixed rate of interest along the way. Companies and governments can issue bonds, when they want to raise money. Bonds issued by companies are called corporate bonds. Bonds issued by the UK government are called gilts and those issued by the US government are called treasury bonds.

Collective Investment Schemes

A way of pooling investment with others within a single investment fund. Once you've joined the scheme, you can have access to a wider range of investments than if you were investing individually. You'll also share the costs and benefits. Collective Investment Schemes such as OEICs, Unit Trusts, Mutual funds, usually target investments in geographic regions (like emerging market countries) or specific themes (like technology or property).

Corporate Bonds

Loans to companies where the buyer of the corporate bond lends money in return for regular interest payments and the promise that the initial sum will be repaid on a specified later date.

Derivatives

These refer to products such as futures and options which are generally an arrangement between different parties to buy or sell a standard quantity of a specified asset on a fixed future date at a price agreed today.

Equities

Equities are also known as shares or stocks. They are a share of the ownership of a company. Shares have two potential benefits. Firstly, the share price moves as the value of the company changes. Also, regular payments, called dividends, may be made to the owner of the share. These are based on how well the company is doing.

Financial Times Stock Exchange (FTSE)

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Floating Rate Notes

Short-term loans to financial companies, such as banks. The investor receives interest payments, which may go up or down, and at the end of an agreed period the company has to repay the loan.

Government Bonds

Loans to the government where the buyer of the government bond lends money to the government. In return, they get regular interest payments and the promise that the initial sum will be repaid on a specified later date.

Hedging
A way of trying to reduce or limit risk. Hedging involves making a deal in one market in order to try to protect against possible losses in another. Often used by Hedge Funds.

Index-Linked Securities
Are similar to fixed interest securities but the payments to the investor are normally increased in line with a measure of inflation.

Investment Grade
An agency (e.g. Standard and Poors) can give a rating to a corporate or government bond. The rating indicates the agency believes that the bond issuer has a relatively low risk of not paying what it owes the buyer of the bond. Bonds with credit ratings of AAA, AA, A or BBB are considered investment grade. Low rated bonds with ratings of BB or below are often called Junk Bonds.

Money Market Investments
These are cash and investments similar to cash such as bank deposits, certificates of deposits, fixed interest securities or floating rate notes. They usually have a life of less than a year.

Investments in cash or cash-like funds could potentially be affected by inflation and/or charges. Inflation could mean your money is less able to buy what it could before and charges will reduce the value of a cash or cash-like fund over time.

OEIC
An open collective investment scheme. Like all such schemes, an OEIC has no fixed amount of capital. The total value of the OEIC is equally divided into shares which will vary in price and in the number issued. When you invest new money, new shares or units are created to match the share price. When you take money out (redeem your shares), the assets are sold at the share price.

Preference Shares
(also called Preferred Stock or Preferred Shares)
Shares in a company which give their holders a right to a fixed dividend payment. Some carry voting rights.

If you hold preference shares, you may get preferential treatment over common shareholders. You'll get a dividend before them and, in the event of bankruptcy, you'll be paid from company assets before common shareholders (but after debt holders).

Shares
See Equities.

Smaller Companies
Companies that you can find on a recognised exchange that have lower value than blue chip companies. In the UK, smaller companies are usually defined as those with market values below the top 350 companies in the FTSE All Share Index.

Units/Unit Linked
Unit linked funds are divided into units and the investors hold a number of units representing the money they have invested. The price of units changes daily to reflect the value of the assets held in the fund and so the investor's fund value at any point depends on the price of the units.

Further information

If you're looking for more information on these risks then please speak to your financial adviser.

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