

The PruFund Range of Funds

Guarantee Options

What is the guarantee?

Our PruFund Protected Cautious Fund offers a guarantee that protects the value of your investment on the plan anniversary at the end of 10 years (also known as the Guarantee date). It's available on our Prudential Investment Plan Mark 3.

The amount guaranteed is the amount initially invested. This will be reduced proportionately for any withdrawals; this includes Ongoing Adviser Charges (although it is possible to have these payments taken from other funds if applicable).

When can I choose the guarantee?

You can only choose the guarantee option at the start of your plan.

What are the options?

The guarantee is currently available on our Prudential Investment Plan Mark 3. The current Guarantee Options available for policies commencing on or after 11 December 2023 are in the table below:

Fund	Guarantee term (years)	Guarantee charge
PruFund Protected Cautious	10	0.15%

The guarantee terms we offer and their charges may change over time.

What is the Guarantee Charge?

If you add a guarantee we'll make an additional monthly charge for the term of the guarantee, this is shown in the section "What are the options?".

Once you've added a guarantee, the guarantee charge you pay is fixed for the term of the guarantee and is based on the guaranteed amount at the date the charge is taken each month.

For example, if you withdraw a sum, the guarantee charge is then based on the lower value (not the initial investment amount).

If you cancel your guarantee the monthly guarantee charge will stop.

Your personal illustration will show how much this will cost you.

How does the guarantee work?

If at the end of 10 years, the value of your fund is worth less than the guaranteed amount, units are added automatically to make up the shortfall in value. After any necessary adjustments your investment will be switched into the PruFund Cautious Fund and both the guarantee and charge will no longer apply. We've provided an example below to show you how this would work.

You don't have to cash in your bond to benefit from the guarantee, it will happen automatically.

The value of your investment can go down as well as up so you might not get back the amount you put in.

For example:

John invested £125,000 on 1 January 2024. He added a guarantee for a term of 10 years. This means that if no money is taken out, either by John or to pay adviser fees, the value of his bond on 1 January 2034 is guaranteed to be at least £125,000. If John cashes in his bond at this time, he'll get at least £125,000 back plus any growth in his investment. If John hadn't added a guarantee, and the value of his bond on 1 January 2034 is less than £125,000, he'll make a loss if he cashes in then.

Can I cancel the guarantee?

It's possible to cancel the guarantee before the end of the 10 year term.

This will stop the guarantee and any applicable charge.

There are no penalties for cancelling a guarantee, but if you leave the fund before the end of the guarantee term you may get back less than was guaranteed, or you invested.

It's not possible to re-start a guarantee so we would suggest you speak to your financial adviser before cancelling the guarantee.