

Fund Guide

# International Prudence Bond (Spain)



## Some important notes we'd like you to read:

- 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.
- The information in this guide is correct as at 23 January 2023, 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 [mandg.com/pru/customer/en-es/products/international-prudence-bond](https://www.mandg.com/pru/customer/en-es/products/international-prudence-bond)
- All views are Prudential International's.
- If there's information or terminology included that you'd like to discuss, then please speak to your financial adviser. If you don't already have a financial adviser, you can visit [unbiased.co.uk](https://unbiased.co.uk) to search for an independent financial adviser in your area.

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We'd like everyone to find it easy to deal with us. Please let us know if you need information about our plans and services in a different format.

All our literature is available in audio, large print or braille versions. If you'd like one of these please contact us on 0345 640 2000 and we'll send these out to you.

**This fund guide includes a list of funds that are available with our International Prudence Bond (Spain).**

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

# Funds that are open to new and existing investors

You'll find a Key Information Document for the International Prudence Bond (Spain), and Investment Option Documents for each of the funds that are open to new investors at [prudential-international.com](http://prudential-international.com)

These documents include information such as:

- Fund objective
- Summary risk indicator

**For the funds listed below, it's very important that you read both the International Prudence Bond (Spain) Key Information Document and relevant fund Investment Option Document(s) as they will provide you with the key risks of the funds and the charges before making an investment decision.**

If you're invested in a fund that's available through the International Prudence Bond (Spain), but it's not listed in this section then please see page 8.

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

## Funds Available

Fund name	
PIA PruFund Cautious (Euro) Fund	PIA PruFund Growth (Sterling) Fund
PIA PruFund Cautious (Sterling) Fund	PIA PruFund Growth (US Dollar) Fund
PIA PruFund Cautious (US Dollar) Fund	PIA M&G Property Fund**
PIA PruFund Growth (Euro) Fund	

Prufund Protected Funds (currently unavailable to new business)
PIA PruFund Protected Cautious (Euro) Fund*
PIA PruFund Protected Cautious (Sterling) Fund*
PIA PruFund Protected Cautious (US Dollar) Fund*

\* The PruFund Protected Funds have a tenth anniversary guarantee. This means that on the Guarantee Date your fund will have a value equal to at least the value of the fund holding at the start of the investment, after a proportional reduction for any regular or one-off withdrawals.

\*\* The objective of the PIA M&G Property Fund is sourced directly from M&G, and Prudential International only updates the objective as and when the objective of the underlying M&G Property Fund is updated.

# Information to read before making a decision

## 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. We might change our charges in future.

If the AMC exceeds the return earned, the fund will go down in value. In general the AMC is taken by the deduction each day of 1/365th of the applicable AMC, from the relevant unit-linked fund.

This differs slightly for With-Profits and PruFund. The annual charge is already taken into account when we calculate the bonus rates for the PAC With-Profits range of funds.

For the PruFund range of funds, the AMC is taken by the monthly cancellation of units from each investment.

### 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?	If they're applicable, then where would they appear in a Key Information Document or Investment Option Document?
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.	In 'Other ongoing costs'.
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.	In 'Performance fees'.
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.	In 'Other ongoing costs'.
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.	In 'Portfolio transaction costs'.

Further costs might be incurred by a Prudential International fund or, where it's applicable, any fund our fund invests in.

Investments in the Prudential Assurance Company (PAC) PruFund Range of Funds are backed by assets in the With-Profits Fund of The Prudential Assurance Company Ltd, through a reinsurance agreement. These funds aim to protect investors against some of the extreme highs and lows of investment performance using 'smoothing' mechanisms. But there are significant differences in the way this is done for PAC With-Profits range of funds and for the PruFund range of funds. Please refer to 'Your guide to investing in With – Profits' and 'Your guide to investing in the PruFund range of funds' for more information. We strongly suggest these documents are read before any investment decision is made.

### PruFund Guarantee Charge (PruFund Protected Funds only)

If you invest in the PruFund Protected Funds, a charge for the provision of the PruFund Guarantee is taken by unit cancellation on a monthly in arrears basis from the units allocated to the PruFund Protected Fund account. The charge may vary between the different funds. You can find details of the charge that applies to you in your illustration or call us on + 353 1 476 5000 (8:30pm – 6pm GMT Monday to Friday).

The PruFund Guarantee is currently suspended for new investors.

### Further information

If you're looking for more information please speak to your financial adviser.

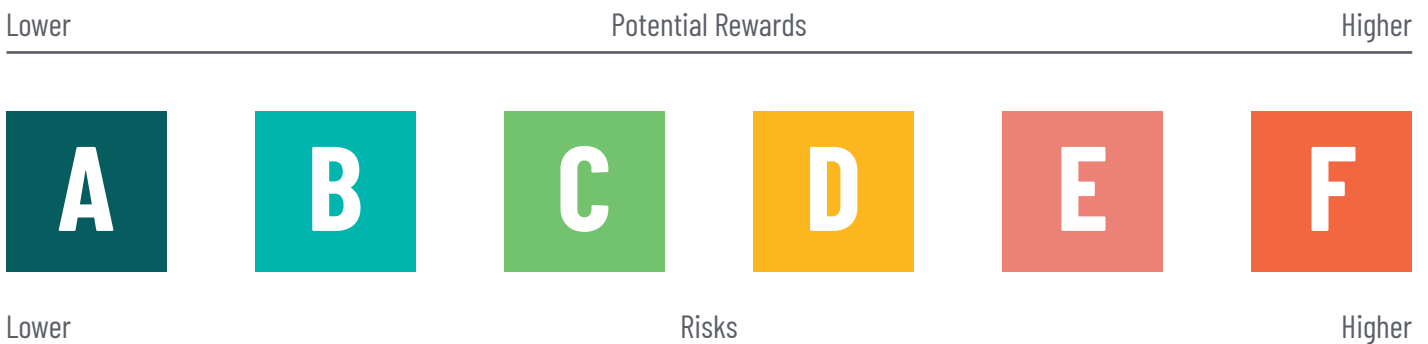
# Funds that are only available to existing investors

As these funds are no longer available to new investors an Investment Option Document is not produced. Instead information is included here that can help you with an investment decision that you wish to make.

## 1) Risk and potential reward

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.

Prudential International rate the risk and potential reward of the funds on the following pages on a scale from A (the lowest) to F (the highest).



Some key things to think about:

- These risk and potential reward indicators are not the same as the information provided in Investment Options Documents and so it's not appropriate to compare directly.
- 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.
- 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.
- These risk rating categories shouldn't be considered generic to the fund management industry as other companies use different descriptions.
- We regularly review these risk rating categories and so they might 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 our fund guides, along with further information, at [mandg.com/pru/customer/en-es/products/international-prudence-bond](https://mandg.com/pru/customer/en-es/products/international-prudence-bond)

For details of material fund changes please visit [pru.co.uk/funds/fund-changes/piafundupdates](https://pru.co.uk/funds/fund-changes/piafundupdates). Information is normally shown for one year.

**You should think about discussing any decision with your financial adviser.**

**It's important to also note that your financial adviser may make their own assessment of the risk rating of funds when thinking about your needs and objectives, and this may differ from our own internal assessment.**

**The information included in this guide is correct as at 23 January 2023, unless another date is shown.**

## Funds that are only available to existing investors in the product

Access to the Prudential PAC Euro, PAC Sterling and PAC US Dollar With-Profits funds is no longer available to new customers investing in International Prudence Bond (Spain) on or after 11/09/2017.

But if you're an existing customer pre 11/09/2017, you'll still be able to top up or switch into the Prudential With-Profits PAC Euro, PAC Sterling and PAC US Dollar Funds.

	Risk and Potential Reward Indicator	Annual Management Charge (%)	Further Costs (%)	Yearly Total (%)	Equity	Fixed Interest	Property	Currency	Smaller Companies and Emerging Markets	Financial Instruments	Alternative Investments	Other	Can existing investors in the product top-up	Can existing investors in the product switch in
PAC Euro With-Profits Fund	C	1.20	0.13	1.33	✓	✓	✓	✓	✓	✓	✓	✓	Yes	Yes
<p>Objective: The fund aims to maximise growth over the medium to long term while helping to smooth the peaks and troughs of investment performance.</p> <p>Fund Investments: The fund currently invests in European and international equities, property, fixed interest securities, index-linked securities and other specialist investments.</p>														
PAC Sterling With-Profits Fund	C	1.20	0.24	1.44	✓	✓	✓	✓	✓	✓	✓	✓	Yes	Yes
<p>Objective: The fund aims to maximise growth over the medium to long term while helping to smooth the peaks and troughs of investment performance.</p> <p>Fund Investments: The fund currently invests in UK and international equities, property, fixed interest securities, index-linked securities and other specialist investments.</p>														
PAC US Dollar With-Profits Fund	C	1.20	0.08	1.28	✓	✓	✓	✓	✓	✓	✓	✓	Yes	Yes
<p>Objective: The fund aims to maximise growth over the medium to long term while helping to smooth the peaks and troughs of investment performance.</p> <p>Fund investments: The fund currently invests in US and international equities, property, fixed interest securities, index-linked securities and other specialist investments.</p>														



# Some useful investment 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 'I owe you's' 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.

## **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. Bonds issued by the UK government are called gilts and those issued by the US government are called treasury bonds.

## **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.

## **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.

### **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.



The registered office of Prudential International is in Ireland at Montague House, Adelaide Road, Dublin 2. Prudential International is a marketing name of Prudential International Assurance plc, a life assurance company operating from Ireland. Registration No. 209956. Prudential International Assurance plc is authorised and regulated by the Central Bank of Ireland and in the context of its UK regulated activities only, is deemed authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website. Prudential International is part of the same corporate group as The Prudential Assurance Company Limited. Both The Prudential Assurance Company Limited and Prudential International are direct and indirect subsidiaries respectively of M&G plc, a company incorporated in the United Kingdom. The Prudential Assurance Company Limited is not affiliated in any manner with Prudential Financial, Inc, a company whose principal place of business is in the United States of America or Prudential plc, an international group incorporated in the United Kingdom.