

# Understanding Series F PruFund cost and charges information

We've produced this guide to help you understand the costs and charges that you'll see, specifically on Series F PruFund funds which are available on the M&G Wealth Platform. This guide shows high level information and is not designed to provide full details of the mechanics of how the PruFund range of funds work. **See the PruFund range of funds webpage** for more information on PruFund funds including the full explanation of the smoothing process.

PruFund has an established smoothing mechanism that aims to reduce the impact of these movements over the short term, using Expected Growth Rates (EGRs) and where required, Unit Price Adjustments (UPAs), to deliver a smoothed investment journey. Each PruFund has its own EGR, and your client's investment will grow daily by the relevant EGR through an increase in the price of the units they hold (known as the smoothed price). The Annual Management Charge (AMC) is taken from within the fund so is accounted for in the disclosed smoothed price. The smoothed price already accounts for investment related charges, for example Further Costs and Transaction Costs.

You can find out more about the smoothing process in our **Step-by-step guide to smoothing**.

## Important points to note

As mentioned above, the smoothed price will grow daily by the relevant EGR. The smoothed price already accounts for investment related costs, for example Further Costs and Transaction Costs. These don't need to be added to total costs or deducted from the EGR.

The following provides an example of an assumed investment in the Series F PruFund Growth Fund. These are for illustrative purposes only and have been produced using charge information as at 4 July 2024, which is subject to change, so they shouldn't be compared to the actual illustration produced for individual clients. Please see FAQs at the end of this document explaining why we only show the PruFund costs and charges in this document.

Fund costs and charges	Series F PruFund Growth Fund
Ongoing Charges Figure (OCF)	1.07%
AMC <sup>1</sup>	(0.76%)
Further Costs <sup>1</sup>	(0.31%)
Transaction Costs	0.13%
<b>Total fund costs<sup>2</sup></b>	<b>1.20%</b>
<b>Total fund costs (excluding Further Costs and Transaction Costs)<sup>3</sup></b>	<b>0.76%</b>

<sup>1</sup> These are the costs and charges that make up the OCF.

<sup>2</sup> This is the total effective fund costs taking all investment related charges into account.

<sup>3</sup> This is the total effective fund costs that the customer would see reflected in the overall performance of their PruFund investment through the smoothed price, assuming their investment grew in line with the EGR for the full length of the illustration term.

These charges, based on a 5.00% assumed growth rate, would produce the following reductions in yield;

Reduction in yield after 10 years	Series F PruFund Growth Fund
Total fund costs <sup>2</sup>	1.3%
Total fund costs (excluding Further Costs and Transaction costs) <sup>3</sup>	0.8%

Please note the costs provided above reflect those applicable to the PruFund investment only. Investing through the M&G Wealth Platform will incur additional charges, such as their Platform Charge, which will affect the customer's overall returns, and which will be reflected in the relevant disclosures provided by the M&G Wealth Platform.

## FAQs

### Why are Transaction Costs disclosed by the M&G Wealth Platform and not your off-platform products?

The M&G Wealth Platform is subject to MiFID rules whereas our off-platform products, other than the Prudential ISA, are not. Therefore, Transaction Costs associated with investing in PruFund funds, and which are required to be disclosed under MiFID rules, are disclosed separately under our off-platform products.

### Do Further Costs and Transaction Costs vary?

Further Costs and Transaction Costs are considered variable costs and are in practice likely to vary from the costs quoted. They are the estimated or predicted cost and charges associated with an investment. They represent the expected costs based on assumptions and projections, rather than the actual realized costs. The Transaction Costs won't vary between an off and on platform version of the same fund.

### Why are reduction in yield figures higher?

Reduction in yield (RIY) figures are typically higher than the sum of the charges because the RIY calculation accounts for the compounding effect of charges over time on investment growth.