

## Guide To The PruFund Terms

Relating to Investment in PruFund Funds through the M&G Wealth Platform and the Wren Sterling Wealth Platform

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# Part A: Introduction

## 1. Introduction

- 1.1 This Guide contains a summary of the main terms and conditions that apply to investments in PruFund Funds that are made through the wealth platform operated by Investments Funds Direct Limited (“IFDL”), which is known as the “M&G Wealth Platform” or as the “Wren Sterling Wealth Platform” (the “**Platform**”) as part of a customer’s ISA or SIPP. It isn’t a legally binding agreement and is provided for your information only.
  - 1.2 PruFund Funds are funds operated by The Prudential Assurance Company Limited (the “**Insurer**”). Rights in relation to the PruFund Funds are held on trust for Platform customers by Fundsdirect Nominees Limited (the “**Nominee**”), meaning that the Nominee owns the rights in relation to the PruFund Funds on behalf of, and for the benefit of, Platform customers.
  - 1.3 This Guide contains important information about what happens if you invest in PruFund Funds through the Platform. We recommend that you read it before investing. This Guide should be read in conjunction with the following documents:
    - Key Information Documents and associated Investment Options Documents: These provide key information about PruFund Funds to help you understand the nature, risks, costs, potential gains and losses of the product.
    - Fund Guide – PruFund Funds on the M&G Wealth Platform: Provides information about the PruFund Fund range that is available on the platform, how PruFund Funds and the smoothing process work and a breakdown of different fund charges/costs.
    - Your With-Profits Plan – a Guide to how we manage PruFund (Pricing Series F): A brief explanation of how PruFund works and our current approach to managing it, includes information on the Expected Growth Rate and the “**Smoothing Process**”.
    - PruFund Factsheets: These provide an overview of the PruFund Funds including the investment objective, risk level, costs, past performance and holding details.
  - 1.4 For copies of these documents contact your adviser or, if you don’t have an adviser, go to the Funds section on [pru.co.uk](https://pru.co.uk).
  - 1.5 We have provided a glossary of terms at the back of this document.
  - 1.6 You’ll have rights under the Platform Customer Terms that you entered into or will enter into with IFDL when joining the Platform. The Platform Customer Terms contain more general information about your investment via the Platform and is a legally binding agreement between you and the Platform. Should you require a copy of the Platform Customer Terms please request one from your adviser or alternatively from the Platform.
  - 1.7 This Guide is provided for information purposes only, and does not constitute financial or investment advice. Any advice should be sought from your adviser.
- ## 2. Important information in this Guide
- 2.1 The following explanations are described in this Guide:
    - (a) **What PruFunds are and how they are made available on the Platform.** This explanation is in paragraphs 3 to 8 below.
    - (b) **Your rights as a Platform customer:** As a Platform customer, you do not have a direct relationship with the Insurer. Your relationship is with IFDL, as Platform Services Provider. IFDL in turn has agreements with the Insurer which allow the PruFund Funds to be available on the Platform. Through the combination of your rights under the Platform Customer Terms and IFDL’s rights under its agreements with the Insurer, you gain access to the financial performance of PruFund Funds. You are therefore dependent on IFDL to exercise rights against the Insurer on your behalf. This matter is described in detail in paragraph 20 (*Platform customers have no direct relationship with the Insurer*).

(c) **The role of IFDL, the Insurer and the Nominee:**

The roles of IFDL, the Insurer and the Nominee are explained in paragraph 6 (*Who are the relevant parties and what are their roles?*). As a Platform customer, your relationship will be with IFDL, which will arrange PruFund Fund dealing, safeguarding and custody of the assets resulting from the investment in PruFund Funds (that is, the “Units” that are created in the PruFund Funds) and maintenance of the individual customer records, including customer transactions. IFDL will also be responsible for implementing the product terms and restrictions set by the Insurer which are described in paragraph 2.1(e) below. Rights in relation to the PruFund Funds are held on trust for Platform customers by the Nominee.

(d) **Removal of PruFund Funds from the Platform:**

Both IFDL and the Insurer can decide to remove a PruFund Fund from the Platform without having to close the PruFund Fund. If it were to decide to do this, it would mean that Platform customers would have their investment in the affected PruFund Funds cancelled and converted to cash. The Insurer can also limit or close investment into PruFund Funds, change or wind them up. This is described in paragraph 25 (*Removal of PruFund Funds from the Platform*).

(e) **Switching and withdrawal:** If a Platform customer wishes to switch out of a Platform investment in a PruFund Fund in order to invest in another fund, or to withdraw an investment in a PruFund Fund from the Platform, the relevant Units in the PruFund Fund will be cancelled and converted to cash. There are various restrictions on switching and withdrawal, which include waiting periods, delays to executing orders and limits to the number of switch instructions that will be accepted. The processes and restrictions are described in paragraphs 13 to 17 below.

## Part B: General Overview

### 3. What is PruFund, and what are PruFund Funds?

- 3.1 “PruFund” is a brand name given to a range of internal funds owned by the Insurer, which is a UK insurance company. The Insurer’s business is to issue contracts of insurance, including life insurance policies. The internal funds within the scope of the PruFund brand are referred to as PruFund Funds.
- 3.2 PruFund Funds are internal funds of assets owned by the Insurer. They are not separate legal entities in their own right. The assets of one PruFund Fund are not legally ring-fenced from the assets of other PruFund Funds or other assets of the Insurer. Nevertheless, the Insurer keeps records of the assets of each PruFund Fund as if it were a distinct pool of assets and liabilities, so it is always possible to determine a net asset value (as described in paragraph 10.4) for each PruFund Fund, in the same way as occurs for other funds that are available on the Platform.
- 3.3 Each PruFund Fund consists of two funds. One is called the “Holding Account” and the other is called the “Smoothed Fund”. Please see the explanation of the difference between these two funds, and a description of how Customers can invest in PruFund Funds through the Platform in paragraph 4 (*How can customers invest in PruFund Funds through the Platform?*) below.
- 3.4 The range of PruFund Funds that are available on the Platform at any time can be viewed in the Fund Guide which is included on the Funds section on [pru.co.uk](https://pru.co.uk)

### 4. How can customers invest In PruFund Funds through the Platform?

- 4.1 Acting through their advisers, customers who have entered into Platform Customer Terms may request that contributions they make to the Platform, or existing wealth that they hold on the Platform, should be invested in one or more PruFund Funds selected from the range of PruFund Funds that are available on the Platform.

- 4.2 Investments in PruFund Funds on the Platform must be made as part of the customer’s ISA or the customer’s SIPP on the Platform.
- 4.3 Once IFDL receives an Order Instruction to make an investment into a PruFund Fund on a customer’s Platform Account, it will make the investment into the Holding Account of that PruFund Fund. The Insurer will then allocate one or more “Units” (which are described in paragraph 4.5) in that Holding Account to the Nominee which will hold them on trust for the customer (as described more fully in paragraph 6.1(c) below). Once this allocation has been made, the Units will then be allocated by IFDL, as Platform Services Provider, to the customer’s Platform Account. IFDL will keep a record of what Units have been allocated to each customer in the Holding Account of each PruFund Fund, and will update the record to reflect changes in the Unit Price and any cancellations.
- 4.4 A PruFund Fund may have more than one “series” of Units, which means that it may issue Units having different specifications (cost, smoothing principles, timing of valuations).
- 4.5 These Units each represent an equal share in the relevant Holding Account. They are not transferrable securities. Nor do they create rights of ownership of any assets of the Insurer. They represent contractual rights against the Insurer to receive a future payment calculated by reference to the Unit Price of the Holding Account. Those contractual rights are held for the benefit of the customer by the Nominee under a structure that is described below in paragraph 5.4.
- 4.6 On a specified day in each month, referred to as the “**PruFund Investment Date**” (which is the 25th day of each calendar month or the following working day if the date falls on a non-working day), all Units in each Holding Account are cancelled and replaced with Units in the Smoothed Fund of the corresponding PruFund Fund. This is referred to as the Units being “**Swept**” into the Smoothed Fund.

The Unit Prices of the Holding Account and the Smoothed Fund are calculated in accordance with a “**Smoothing Process**”, as described in paragraph 10 (Smoothing Process) below. IFDL will keep a record of what Units have been allocated to each customer in the Smoothed Fund of each PruFund Fund, and will update the record to reflect changes in the Unit Price and any cancellations.

- 4.7 Each PruFund Fund has a Unit Price for its Holding Account and a Unit Price for its Smoothed Fund. Unit Prices are not guaranteed, and will change from day to day, so the value of your investment, and therefore the amount that would be available to you on a switch or withdrawal, will also change from day to day. For the range of PruFund Funds, what you receive will depend on the value of the underlying investments, the Smoothing Process, including the level of Expected Growth Rates and any applicable Unit Price adjustments, our charges, and when you take your money out. The process for determining Unit Prices is described below – please see paragraphs 9 (Unit Prices) and 10 (Smoothing Process), below.

## 5. What are the relevant documents and what are your rights?

- 5.1 In order to make the PruFund Funds available on the Platform, two “**Master Insurance Agreements**” – one for ISA investments and one for SIPP investments – have been entered into between the Insurer, IFDL and the Nominee. Customers are not parties to these Master Insurance Agreements and have no rights under them.
- 5.2 However, your Platform Customer Terms specify your rights in relation to the Platform. They include provisions that allow PruFund Funds to be available on the Platform for investment by ISA and SIPP customers.
- 5.3 The Master Insurance Agreements set out the basis on which investments can be made into PruFund Funds and switched and withdrawn from PruFund Funds. The relevant provisions are described in more detail later in Part C of this Guide.

- 5.4 Under the terms of each Master Insurance Agreement, the Nominee acts as Policyholder, and is recognised by the Insurer as holder of the Units in each PruFund Fund that are allocated as a result of investments made through the Platform. The contractual rights against the Insurer that the Units represent are (along with all other Platform assets, other than cash held by IFDL) held by the Nominee on trust under a trust deed, referred to as the “**Nominee Trust Deed**”. This Nominee Trust Deed ensures that customer rights in respect of the Units are protected against any financial failure of IFDL.
- 5.5 ISA customers (including, as applicable, any named children under Junior ISAs) are direct beneficiaries under the Nominee Trust Deed. SIPP customers continue to have their Platform assets held on trust for them by IFDL Personal Pensions Limited, which is the “**SIPP Trustee**” for the IFDL SIPP. The Nominee Trust Deed therefore provides that the Units are held on trust for the SIPP Trustee. The SIPP Trustee holds its benefit under the Nominee Trust Deed on trust for the SIPP customers.
- 5.6 The structure created by the Master Insurance Agreements and the Nominee Trust Deed is compliant with the FCA client asset rules.
- 5.7 Copies of the Master Insurance Agreements and the Nominee Trust Deed are available on request by contacting your adviser or IFDL as Platform Services Provider of the Platform at the contact details below.
- 5.8 Under the terms of the Master Insurance Agreement relating to ISAs, either of the parties may require the provisions of the policy that apply to Junior ISAs to be separated out into a separate Master Insurance Agreement. Such a step, for example, might be required if IFDL becomes aware that the original Master Insurance Agreement policy ceases to be a qualifying investment in respect of Junior ISAs (as described in paragraph 19 below). Where this happens, all rights, obligations and liabilities of the parties under the original Master Insurance Agreement in respect of Junior ISAs shall be transferred to the new Master Insurance Agreement for Junior ISAs, and the terms of the two Master Insurance Agreements shall be the same as far as possible.

## 6. Who are the relevant parties and what are their roles?

- 6.1 The key parties to the arrangements by which the PruFund Funds are made available on the Platform are:
- (a) **IFDL (Investment Funds Direct Limited):** IFDL acts as the Platform Services Provider in respect of the Platform. In relation to ISA arrangements it also acts as account manager, and in relation to SIPP arrangements, it also acts as the SIPP operator. When customers wish to invest in, switch from or withdraw from PruFund Funds, their advisers will give an Order Instruction to IFDL which will in turn give an instruction to the Insurer. IFDL keeps records of all customer investments on the Platform. IFDL is the owner of any cash that is held on the Platform, but it holds this cash in accordance with the FCA client asset rules which ensure it would not be at risk in the event that IFDL were to become insolvent.
  - (b) **The Insurer (The Prudential Assurance Company Limited):** The Insurer owns the PruFund Funds and is responsible for the investment management of the assets held within them. It is responsible for calculating the Unit Prices. It does not have a direct relationship with customers, but instead acts on the basis of instructions given to it by IFDL.
  - (c) **The Nominee (Fundsdirect Nominees Limited):** The Nominee is the legal owner of non-cash assets held on the Platform, and holds them on trust for the relevant customers. These non-cash assets include the rights against the Insurer that are represented by Units in the PruFund Funds. The Nominee does not have an active role in receiving or giving instructions in relation to the Platform. The purpose of having the Nominee in the structure is to ensure that non-cash assets would not be at risk in the event that IFDL were to become insolvent.

- 6.2 IFDL, the Insurer and the Nominee are all subsidiary companies of M&G plc.

## 7. PruFund Funds are made available through a Life Insurance Policy

- 7.1 Since the Insurer is an insurance company, the way in which it makes the PruFund Funds available must be through a contract of insurance. As a result, the Master Insurance Agreements are contracts of insurance. More specifically, they are contracts of long-term insurance, or more widely referred to as "life insurance policies".
- 7.2 As an investment into a PruFund Fund will be through a life insurance policy, the Insurer provides a death benefit in the event that the customer dies while still holding an investment in PruFund on the Platform. This death benefit is described later in this document – please see paragraph 18 (Death Benefit) below.

## 8. Availability of PruFund Funds for new and existing customers

PruFund Funds are available for investment by existing and new customers of the Platform. There is no difference in the terms that apply to existing and new customers.

# Part C: Detailed description of PruFund Features

## 9. Unit Prices

- 9.1 Each PruFund Fund has a Unit Price for its Holding Account and a Unit Price for its Smoothed Fund. Unit Prices are not guaranteed, and can change from day to day.
- 9.2 Since all new investments into a PruFund are made into the Holding Account, it is the Unit Price of the Holding Account which determines the price at which Units are credited to a customer. The number of Units which are allocated to you when you make an investment is calculated by dividing the amount you are investing by the Unit Price of the Holding Account on the day when the Insurer receives the investment payment from IFDL.
- 9.3 The value of a customer's investment in any PruFund Fund on any day is determined by the number of Units allocated to that Customer multiplied by the relevant Unit Price. Where the relevant Units are still held in the Holding Account, the Unit Price of the Holding Account will be used. Where the Units are held in the Smoothed Fund the Unit Price of the Smoothed Fund will be used.
- 9.4 The Unit Prices of the Holding Account and the Smoothed Fund are calculated in accordance with the Smoothing Process as described below – please see paragraph 10 (Smoothing Process), below.

## 10. Smoothing Process

- 10.1 The Unit Prices of the Holding Account and the Smoothed Fund of a PruFund Fund are calculated through the following process called the “**Smoothing Process**”.
- 10.2 When a PruFund Fund is established, an Expected Growth Rate is set. This is an annual rate applied to the value of a PruFund Fund. This rate is reviewed quarterly on 25 February, 25 May, 25 August and 25 November of each year (or if those dates are not working days, the next working day after them). The Expected Growth Rate could be zero but it will never be negative.

- 10.3 The Unit Price of the Holding Account and the Smoothed Fund of each PruFund Fund will increase each day by the Expected Growth Rate applicable to that fund.
- 10.4 In relation to a Smoothed Fund, a further process occurs in order to determine the Unit Price. On each PruFund Investment Date, after the Expected Growth Rate has been applied for that day, the Insurer compares the Net Asset Value Per Unit of the Smoothed Fund to the Unit Price for that fund on that day. The “**Net Asset Value Per Unit**” is the value of the Smoothed Fund determined by the Insurer (the “**Actual Fund Value**”) divided by the total number of Units credited to the Smoothed Fund. If the difference between those two figures is less than the “**Monthly Smoothing Limit**” (a specified limit set by the Insurer at its discretion which may change from time to time) then the Unit Price will not change. However:
  - (a) If the Net Asset Value Per Unit is above the Unit Price by the Monthly Smoothing Limit (or more), the Unit Price will be increased on the PruFund Investment Date by half the difference. This adjustment will be repeatedly applied until the Net Asset Value Per Unit is above the Unit Price by less than the Monthly Smoothing Limit.
  - (b) If the Net Asset Value Per Unit is below the Unit Price by the Monthly Smoothing Limit (or more), the Unit Price will be reduced on the PruFund Investment Date by half the difference. This adjustment will be repeatedly applied until the Net Asset Value Per Unit is below the Unit Price by less than the Monthly Smoothing Limit.



10.5 In addition to the above adjustment mechanism, the Unit Price of the Smoothed Fund may also be adjusted between PruFund Investment Dates. Each working day, the Insurer will calculate the average Net Asset Value Per Unit for the Smoothed Fund over the 5 working days ending with the day on which they are carrying out the calculation. This is the **“Average Net Asset Value Per Unit”**. The Insurer will also calculate the Net Asset Value Per Unit and the Unit Price applicable on that particular day and:

- (a) If the then current Net Asset Value Per Unit and the Average Net Asset Value Per Unit are both above the then current Unit Price by the **“Daily Smoothing Limit”** (a specified limit set by the Insurer at its discretion which may change from time to time) (or more), the Unit Price will be increased such that the Unit Price is then below the Net Asset Value Per Unit by the Gap After Adjustment. The **“Gap After Adjustment”** is a specified gap in respect of each PruFund Fund which is determined by the Insurer at its discretion and such gap may be changed by the Insurer from time to time.
- (b) If the then current Net Asset Value Per Unit and the Average Net Asset Value Per Unit are both below the then current Unit Price by the Daily Smoothing Limit (or more), the Unit Price will be reduced such that the Unit Price is then above the Net Asset Value Per Unit by the Gap After Adjustment.

## 11. Suspension of the Smoothing Process

11.1 The Smoothing Process which is described above may be suspended by the Insurer in certain circumstances. This is not expected to happen often, and is only expected to be used in highly unusual circumstances. This could be to protect the With-Profits Sub-Fund and therefore the interests of all the Insurer’s policyholders (which would include the Nominee as trustee for the customers of the Platform and the SIPP Trustee) and shareholders, or if the Insurer feels that it is necessary to ensure that other policyholders are treated fairly in accordance with its regulatory duties.

11.2 In the event that the Smoothing Process is suspended, the Unit Price of the relevant PruFund Fund will be the Actual Fund Value divided by the number of Units in issue. The Insurer will review the position at least once every 30 calendar days, and will reinstate the Smoothing Process when it considers it appropriate. When the Smoothing Process is reinstated, the Unit Price will once again be subject to the application of the Expected Growth Rate as described in paragraph 10 (Smoothing Process).

## 12. Resetting the Unit Price

- 12.1 In certain circumstances, the Insurer may decide to reset the Unit Price of the Smoothed Fund of a PruFund Fund. This would be done to protect the **“With-Profits Fund”** which is the long-term fund where the Insurer’s with-profits business is written (or a **“With-Profits Sub-Fund”** which is a sub-fund of the With-Profits Fund) and the policyholders (which would include the Nominee) invested in it. This is not expected to happen often, and is only expected to be used in highly unusual circumstances.
- 12.2 If the Unit Price did need to be reset, it would be adjusted to the Net Asset Value Per Unit on that working day. That adjusted Unit Price would then continue to grow in line with the Expected Growth Rate from the working day after the reset.

## 13. If you want to disinvest from a PruFund Fund

13.1 You have the right to disinvest from any investment you have made into PruFund Funds at any time. The disinvestment would occur through the cancellation of your Units in the relevant PruFund Funds. You may not receive the full value of your investment back.

13.2 There are three ways you can disinvest from PruFund Funds:

- (a) Acting through your adviser, you can request IFDL to switch your investment out of the PruFund Funds into a holding of cash on the Platform or into one or more other funds or other investments on the Platform.

Switches are subject to some restrictions – please see paragraph 14 (*Restrictions on switching out of PruFund Funds*), below.

- (b) Subject to the restrictions imposed by the rules governing ISAs and SIPPs, you are free to withdraw all or part of your investment from the Platform at any time, and this includes the part invested in PruFund Funds. You would make the withdrawal by instructing IFDL to cancel Units in PruFund Funds and directing it where to transfer the withdrawal payment. If you want to do this, please ask your adviser to give the withdrawal instruction to IFDL or contact IFDL directly, as set out in paragraph 28 (*Contact details for IFDL*), or through your adviser.
- (c) If you decide to disinvest from any PruFund Fund within 30 days of making your first investment into a PruFund Fund on the Platform then you may (but do not have to) elect to exercise the cancellation through your “**Cooling Off Cancellation Right**”. This right is described later in this document – please see paragraph 16 (*Cooling Off Cancellation Right*), below.

To exercise this cancellation right where you plan to withdraw your investment from the Platform, you may contact IFDL directly as set out in paragraph 28 (*Contact details for IFDL*) or you may give the instruction through your adviser. If you plan to keep the investment on the Platform, but in other funds or investments, you would have to give the instruction through your adviser.

## 14. Restrictions on switching out of PruFund Funds

There are a number of important restrictions on your ability to switch out of your investment in PruFund Funds:

- (a) If you want to switch assets out of any PruFund Fund into a holding of cash on the Platform or into another fund or investment on the Platform (including another PruFund Fund), then a 28 calendar day delay period will apply. The switch instruction will be given, and the switch will take effect using the applicable Unit Prices of the PruFund Funds, at the end of the 28 calendar days.

The reason for this 28 calendar day delay period in respect of switch instructions is in order to protect the interests of other customers and shareholders of the Insurer.

- (b) The 28 day delay period does not apply if you are cancelling all or part of your Units in the PruFund Fund in order to make a withdrawal from the Platform, or initiate SIPP drawdown or other regular income. Nor does it apply if the reason for the cancellation is to pay applicable charges to IFDL or your adviser. In these cases IFDL will give the cancellation instruction to the Insurer on the same day it receives the Order Instruction to withdraw from you or your adviser (or the next working day, if that day is not a working day), without any delay period, and the Insurer will cancel Units using the Unit Price on that day.

There is no maximum limit imposed by the Master Insurance Agreements on the number or value of Units that you can cancel for the purposes of withdrawals from the Platform though the Insurer reserves the right to institute a limit in the future.

- (c) If you make a request to switch assets from a PruFund Fund to another fund or investment (including another PruFund Fund) on the Platform, or into a holding of cash on the

Platform, you cannot make a further request to switch out of your investment in PruFund Funds for three months, or while an existing switch request that you have made is still being processed.

- (d) The Insurer reserves the right to refuse, restrict or delay any switch of investments from a PruFund Fund into another PruFund Fund where it considers that the frequency of such instructions is excessive.
- (e) When you have given a switch instruction, you cannot withdraw or replace your instruction except where you are withdrawing your investment from the Platform as described in paragraph 13 (If you want to disinvest from a PruFund Fund).

## 15. If you want to move your investment off the Platform

- 15.1 It is not possible for you to move Units in PruFund Funds off the Platform. This is because the Units are not transferable securities. As explained above, the Units represent contractual rights to receive a future payment from the Insurer under the Master Insurance Agreements. These rights are held by the Nominee as policyholder and are not capable of being transferred to any other person.
- 15.2 In order to move the value represented by the Units, it is necessary for the Units to be cancelled and converted to cash. The cash can then be switched into other funds or investments on the Platform (including other PruFund Funds) or withdrawn from the Platform, as described above.

## 16. Cooling Off Cancellation Right

- 16.1 When you make your first investment into any PruFund Fund as part of your ISA or SIPP, or when you make a first investment into a PruFund Fund having left and rejoined the Platform, a period of 30 calendar days begins. This is the “**Cooling Off Cancellation Period**”,

and the rights described below will apply during this Cooling-Off Cancellation Period. However, there won't be a Cooling-Off Cancellation Period, and you won't have these rights, where you were the named child under a Junior ISA and your Junior ISA converts into an Adult ISA when you reach your 18th birthday.

- 16.2 If, during this Cooling Off Cancellation Period, you or your adviser give an Order Instruction to IFDL, as Platform Services Provider, to cancel all your ISA or SIPP Platform investments in PruFund Funds then you may (but do not have to) elect to exercise the cancellation through your “**Cooling Off Cancellation Right**”.
- 16.3 If you exercise the cancellation through your Cooling Off Cancellation Right then the amount that you invested into PruFund Funds during that 30 days will be returned to you, after deduction of any applicable charges and any amounts that have been switched out of or withdrawn from your investment in the PruFund Funds. This cancellation operates in the same way as a withdrawal, but the amount you receive is not affected by positive or negative movements in the Unit Prices of the PruFund Funds since the time of your investment.
- 16.4 This cancellation right is a special arrangement for PruFund Fund investments on the Platform, so does not apply generally to investments on the Platform. It only applies where you are cancelling all of your Platform investments in PruFund Funds held through your ISA or through your SIPP, as applicable. It does not apply if you are retaining any Units in any PruFund Funds in the ISA or SIPP, as applicable.
- 16.5 If you have both an ISA or a SIPP then the Cooling Off Cancellation Right applies separately to each of them, so you can exercise the Cooling Off Cancellation Right in respect of your Platform investments in PruFund Funds held as part of your ISA, while still retaining Platform investments in PruFund Funds as part of your SIPP.

16.6 The Cooling Off Cancellation Right applies in addition to your right to disinvest from any PruFund Fund at any time, whether before or after the end of the Cooling Off Cancellation Period. The difference is that if you cancel Units in PruFund Funds other than by exercising the Cooling Off Cancellation Right then the amount that will be paid by the Insurer on cancellation will depend on the applicable Unit Price on the day of cancellation, rather than on the amount you originally invested.

16.7 It may not be in your interests to exercise a Cooling Off Cancellation Right where the Unit Price of a PruFund has increased since you invested, as in that case you will not benefit from the increase in the Unit Price. In such circumstances it may be better for you to request an ordinary cancellation of the Units and a withdrawal from the Platform.

16.8 For example, you make an initial investment of £500 in a PruFund Fund. Then 10 days later you make a further investment of £1,000 in the same or a different PruFund Fund. 5 days after that you decide that you want to cancel the investments you have made in the PruFund Funds. If you exercise the cancellation through the Cooling Off Cancellation Right then you would receive £1,500 less any applicable charges and any amounts that have been switched out of or withdrawn from your investment in the PruFund Funds.

If you exercise an ordinary cancellation and withdrawal from the Platform, the amount you would receive would depend on the applicable Unit Prices of the relevant PruFund Funds. This amount could be higher or lower than £1,500.

## 17. Delayed transactions

17.1 There may be a delay in crediting or cancelling Units in any PruFund Fund, or in switching investments in a PruFund Fund to another fund or into cash. This delay would apply in addition to any 28 day waiting period applicable to the transaction being a switch – please see paragraph 14 (*Restrictions on switching out of PruFund Funds*), above. However, this will only happen in exceptional circumstances which the Insurer shall notify to IFDL. IFDL will inform you of any delay.

17.2 In particular, the Insurer may impose an initial waiting period of 28 days to the cancellation of Units even if it is not a switch transaction. This period may be extended at the end of the waiting period if the Insurer invokes its powers to make a further delay. The reason for this 28 day initial waiting period would be to protect the interests of other customers and shareholders of the Insurer. This is not expected to happen often, and is only expected to be used in highly unusual circumstances.

17.3 There may be circumstances outside the Insurer's control which prevent the Insurer from effecting crediting or cancellation transactions immediately, and equally the Insurer may need to effect a delay where the Insurer believes that otherwise the policyholders (which would include the Nominee as trustee for the customers of the Platform and the SIPP Trustee) or customers of other products of the Insurer (not governed by the Master Insurance Agreements) would suffer an unfair reduction in the value of their investment, or would suffer some other form of unfair treatment. Examples include:

- (a) Where the Insurer is unable to realise sufficient investments to satisfy demand, or where to do so would mean the Insurer has to sell assets at prices significantly below the value reflected in the then current Unit Price.

- (b) Where the need to make payments quickly could only be satisfied by selling a disproportionate amount of one type of asset, leaving too low a proportion of what is left invested in assets of that type.

17.4 The Insurer would not expect delays to be any longer than reasonably necessary, and in respect of Units held as part of customers' ISAs, no longer than the maximum period stipulated in the current applicable ISA Regulations.

17.5 The Unit Prices for the deferred transaction will be those applying at the end of the period of deferment, unless, again, the Insurer believes that in the particular circumstances that would not be fair to policyholders in general (which would include the Nominee as trustee for the customers of the Platform and the SIPP Trustee).

17.6 Where the transaction crediting or cancelling Units of more than one PruFund Fund and not all the relevant PruFund Funds are affected by the delay, the Insurer will credit or cancel Units relating to the PruFund Funds that are unaffected by the delay.

17.7 Where there is a delay in cancelling Units, the Insurer will take no action on the affected Units until the delay has ended.

17.8 As the number of Units to be cancelled is determined at the start of the delay or waiting period when the Insurer receives the request, the value actually realised at the end of the period may vary from the amount that the customer expected and/or requested.

## 18. Death benefit

18.1 As explained above, Platform investments in PruFund Funds are made through the Master Insurance Agreements, which are life insurance policies.

18.2 The Master Insurance Agreements include a death benefit, which operates as a 0.1 per cent uplift to the payment that would otherwise be made on the customer's death based on the value of the Units allocated to the customer on the Platform.

18.3 When the Insurer is instructed by IFDL and the SIPP Trustee of a notice of death, it will cancel the relevant Units using the Unit Price applicable to the working day on which it receives such instruction. Any previous requests for switches out of PruFund Funds will no longer be processed. The 28 day delay period that applies to switches does not apply to the cancellation of Units on death.

18.4 The total amount paid by the Insurer to the customer's Platform Account will therefore be 100.1% of the value of the Units on the date on which they are cancelled.

18.5 This death benefit does not provide a meaningful level of protection against the financial consequences of unexpected death.

# Part D: Features of the Investment Structure

## 19. Compliance with ISA Regulations

19.1 The Master Insurance Agreement relating to ISA investments complies with the requirements of the Individual Savings Account Regulations 1998 (SI 1998 No. 1870) (the “ISA Regulations”), and as a result Units held under that Master Insurance Agreement are “qualifying investments” under the ISA Regulations.

19.2 If the Insurer determines that the Units are not qualifying investments under the ISA Regulations then:

- (a) in respect of Units relating to Adult ISAs, the Insurer will cancel all Units allocated under the ISA Master Insurance Agreement using the Unit Price that applies on the working day on which it first determines that the Units are not qualifying investments; and
- (b) in respect of Units relating to Junior ISAs, IFDL shall exercise its right to create a separate Master Insurance Agreement in respect of the Junior ISAs, and in respect of the separate Master Insurance Agreement for Junior ISAs the Insurer will cancel all Units allocated under the Master Insurance Agreement for Junior ISAs using the Unit Price that applies on the working day on which it first determines that the Units are not qualifying investments.

## 20. Platform customers have no direct relationship with the Insurer

20.1 As explained above, the Master Insurance Agreements are entered into between the Insurer, IFDL and the Nominee, as policyholder. Customers are not parties to the Master Insurance Agreements and have no rights under them.

20.2 As a result, customers who invest in PruFund Funds through the Platform do not have any legal relationship with the Insurer by reason of that investment.

20.3 Nevertheless, the Unit Prices of PruFund Funds are calculated in relation to the investments made by Platform customers in exactly the same way as they are calculated for direct customers of the Insurer. Moreover, if the Insurer were to be unable to pay its obligations then Platform customers may still be entitled to compensation from the Financial Services Compensation Scheme in the same way as direct customers of the Insurer, notwithstanding the absence of a direct relationship with the Insurer.

20.4 In addition, customers are protected against the insolvency of IFDL because:

- (a) Units in PruFund Funds that are allocated to customers on the Platform are held by the Nominee under the Nominee Trust Deed on trust for those customers, or on trust for the SIPP Trustee acting as trustee of SIPP customers' investments; and
- (b) cash on the Platform that is held by IFDL is held pursuant to the FCA client asset rules.

20.5 As a result, the absence of a direct relationship with the Insurer is not expected to result in any disadvantage to Platform customers.

20.6 Nevertheless, certain aspects of the structure could result in a disadvantage to Platform customers in specific circumstances:

- (a) Platform customers will be dependent on IFDL to exercise their rights against the Insurer. If IFDL were to become slow in exercising its rights against the Insurer then there would be no way for customers to go directly to the Insurer to request payment. All individual customer records will be maintained by IFDL, not by the Insurer, so the Insurer would not be in a position to accept an investment or to process any request to cancel Units from a Platform customer.
- (b) Customers will be dependent on IFDL to make withdrawal payments to them. There is no way for them to receive payments directly from the Insurer.

Customers are protected against the credit risk of IFDL by the fact that IFDL holds all cash under the FCA client asset rules.

- (c) It is not possible for Platform customers to transfer the Units that are allocated to them on the Platform to any other platform or to themselves to hold directly. This is because the Units represents contractual rights of the Nominee under the Master Insurance Agreements which have been specially negotiated so that PruFund Funds can be made available on the Platform. No other platform has similar agreements, and since the Master Insurance Agreements operate on an aggregated basis there is no way for the investment of any one customer to be separated for the purpose of being transferred.

In order to extract value from their PruFund Fund investments, Platform customers would have to cancel the Units in the PruFund Funds so as to convert them to cash which can then be withdrawn from the Platform and transferred elsewhere.

- (d) IFDL and the Insurer both have the unilateral right to request that a PruFund Fund should be removed from the Platform, so that it is no longer available for investment by Platform customers. Such a request could be made so that it restricts new investments only, while allowing existing investments to continue, or it could be made so that it requires all Units of Platform customers to be cancelled and switched into a cash holding on the Platform.

IFDL and the Insurer expect that this right would be used only in exceptional circumstances, and with focus on the interests of customers. Both of them would be subject to the regulatory duty to treat customers fairly.



# Part E: Charges, changes and other important information

## 21. General charges

- 21.1 Each PruFund Fund has an Annual Management Charge which the Insurer makes for managing the PruFund Fund. The Insurer is entitled to deduct the Annual Management Charge from the cash and assets of the PruFund Fund.
- 21.2 The Annual Management Charge is reflected in the determination of the Unit Price of the Units in each PruFund Fund, and so the Insurer will not cancel Units for the purposes of paying the charge.
- 21.3 The Insurer may change the Annual Management Charge in which case it will provide notice of the change to IFDL.
- 21.4 In addition to the Annual Management Charge, the Insurer may make various other charges intended to cover the costs of administering the PruFund Funds, which can be deducted from the relevant PruFund Funds and will therefore also (like the Annual Management Charge) be reflected in the Unit Price. From time to time the Insurer may change the limits and charges to take account of inflation or other factors which may affect the running of its business. The Insurer will keep any increases to charges or new charges to reasonable amounts, reflecting any increases in its reasonable costs for operating the PruFund Funds. The Insurer will give IFDL reasonable notice in writing if making changes to any charges described in the Master Insurance Agreements or if introducing any new charges.
- 21.5 Other charges may also apply in respect of your investment in the PruFund Funds. IFDL will notify you of any such charges where they are material to your investment.

## 22. Financial Services Compensation Scheme Charges

- 22.1 Other than to the extent that it is reflected in the amounts that the Insurer deducts as the Annual Management Charge, the Insurer will not make any charge to any PruFund Fund on account of any amount that it is required to contribute to the Financial Services Compensation Scheme.
- 22.2 The Insurer may introduce or increase charges if a new or increased charge is imposed on it under the Financial Services Compensation Scheme (or any other compensation scheme). These charges will be deducted from the PruFund Funds and will therefore reduce the value of Units. Any increase to charges or new charges will be kept to reasonable amounts, reflecting an increase in the Insurer's reasonable costs for operating the PruFund Funds. The Insurer will give IFDL reasonable notice in writing if it makes changes to any charges described in the Master Insurance Agreements or if it introduces any new charges.



## 23. Changes to the Master Insurance Agreements

### Limits on investments

- 23.1 There are currently no limits on the amount of investment that can be made in a PruFund Fund. However, in the future the Insurer may impose a maximum limit on how much can be invested in any PruFund Fund. Such a limit may be an aggregate limit across all investments made by all customers, or it may be a limit in respect of a customer.
- 23.2 If a limit on investment is imposed then the Insurer may change the limit from time to time. The Insurer will give IFDL and the SIPP Trustee reasonable notice in writing if making changes to any limits in the Master Insurance Agreements.

### Closing to further investments

- 23.3 The Insurer may elect not to accept further investments in the PruFund Funds either at all, or from a particular customer.
- 23.4 The Insurer may close PruFund Funds to all further investments or may determine that it will not accept further investments in a particular PruFund Fund, or investments in a particular series of Units in a particular PruFund Fund.
- 23.5 If the Insurer decides to close to further investments in a PruFund Fund it must give IFDL three months' notice. IFDL must then notify customers that it cannot accept any further Order Instructions for investments in the PruFund Funds or that it cannot accept any further Order Instructions for investments in a particular PruFund Fund (as the case may be).

### Changes to the terms and conditions in the Master Insurance Agreements

- 23.6 The Insurer can make changes to the terms and conditions set out in the Master Insurance Agreements, providing it gives IFDL reasonable notice of the changes and obtains its consent to the change.

23.7 In certain circumstances, the Insurer may change the terms and conditions set out in the Master Insurance Agreements without giving reasonable notice and without seeking the consent of IFDL. It is allowed to do this if:

- (a) it becomes impossible or unreasonable to follow the terms and conditions because of a change in legislation, regulations or otherwise;
- (b) circumstances have changed in a way which could not have reasonably been predicted at the date of the Master Insurance Agreements;
- (c) there is a change to the basis upon which any company from within the M&G Group of Companies is taxed, in which case the Insurer can only change the Master Insurance Agreements in such a way that, in its opinion, the balance between the Nominee, as policyholder, and the Insurer remains as it was before the change; or
- (d) the addition, amendment, modification or setting aside is reasonable (for example, the change must be justifiable and either be to the advantage of the Nominee, the SIPP Trustee or any affected customer or have little or no adverse financial effect on the Nominee, the SIPP Trustee or any customer).

23.8 Except where it is impracticable to do so, the Insurer will always notify IFDL of any changes the Insurer has made to the terms and conditions of the Master Insurance Agreements.

## 24. Changes to the PruFund Funds

- 24.1 The Insurer can withdraw, amalgamate, close or wind-up any of the PruFund Funds at any time. The Insurer has agreed that it will aim to act fairly and reasonably in the way that it does this, having regard to its duty to protect the interests of the Nominee, the SIPP Trustee, the customers and those of other customers.
- 24.2 If the Insurer decides to wind-up a PruFund Fund it must give IFDL three months' notice during which IFDL will seek Order Instructions from customers as to how the proceeds resulting from the wind-up should be dealt with.
- 24.3 New PruFund Funds may also be made available by the Insurer from time to time.
- 24.4 The Insurer may also rename any of the PruFund Funds at any time.

## 25. Removal of PruFund Funds from the Platform

- 25.1 IFDL and the Insurer both have the unilateral right to request that a PruFund Fund should be removed from the Platform, so that it is no longer available for investment by Platform customers. Such a request could be made so that it restricts new investments only, while allowing existing investments to continue, or it could be made so that it requires all Units of Platform customers to be cancelled and switched into a cash holding on the Platform.
- 25.2 IFDL and the Insurer expect that this right would be used only in exceptional circumstances, and with focus on the interests of customers. Both of them would be subject to the regulatory duty to treat customers fairly.

## 26. If you want to make a complaint

- 26.1 Please raise any complaint as soon as possible.  
In the first instance please contact your financial adviser as they may be able to resolve it quickly for you. If you don't have an adviser, please contact IFDL in its role as Platform Services Provider.  
Please see paragraph 28 (Contact details for IFDL).
- 26.2 If you're not satisfied with the response, you can take your complaint to the Financial Ombudsman Service, the contact details of which are:

**Financial Ombudsman Service**  
**Exchange Tower**  
**London**  
**E14 9SR**

Telephone: **0800 023 4567** or **0300 123 9123**

Or visit the website: **[financial-ombudsman.org.uk](https://financial-ombudsman.org.uk)**

Help is also available from The Pensions Ombudsman who deals with complaints and disputes about the administration and management of occupational and personal pension schemes.

**The Pensions Ombudsman**  
**10 South Colonnade**  
**Canary Wharf**  
**London**  
**E14 4PU**

Telephone: **0800 917 4487**

Email: **[enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)**

Website: **[pensions-ombudsman.org.uk](https://pensions-ombudsman.org.uk)**

You can also submit a complaint form online:  
**[pensions-ombudsman.org.uk/making-complaint](https://pensions-ombudsman.org.uk/making-complaint)**

These services are free and using them won't affect your legal rights.

- 26.3 If the Insurer is unable to meet its obligations, the Nominee, as policyholder under the Master Insurance Agreements, may be entitled to compensation from the Financial Services Compensation Scheme on your behalf. You may also be entitled to compensation from the Scheme directly if the Nominee hasn't already claimed compensation on your behalf.

## 27. Notifications to advisers

If your adviser has signed up to receive notifications from the Insurer then updates relating to the status of PruFund Funds will be communicated to your adviser by the Insurer. These updates would include any suspension of the Smoothing Process, delayed transactions, closures of PruFund Funds, changes to the Expected Growth Rate and any special Unit price adjustments.

## 28. Contact details for IFDL

If you have an adviser, please refer any query about your PruFund investment to them in the first instance. If you don't have an adviser, please contact IFDL, as Platform Services Provider, using the details below:

**Investment Funds Direct Ltd**  
**Trimbridge House**  
**Trim Street**  
**Bath**  
**BA1 1HB**

Telephone: **0345 076 6140**

Email: **[platformsupport@mandg.com](mailto:platformsupport@mandg.com)**

Or visit the website: **[mandgwealth.com/platform](https://mandgwealth.com/platform)**

# Glossary

<b>Actual Fund Value</b>	The value of a Smoothed Fund determined by the Insurer.
<b>Adult ISA</b>	An ISA other than a Junior ISA.
<b>Annual Management Charge</b>	A charge applied to each PruFund Fund which the Insurer makes for managing the PruFund Fund.
<b>Average Net Asset Value Per Unit</b>	The average Net Asset Value Per Unit for a Smoothed Fund over 5 working days ending with the day on which the Insurer carries out the calculation.
<b>Cooling Off Cancellation Right</b>	A special right to cancel Units in the PruFund Funds that exists during a period referred to as the Cooling Off Cancellation Period. This right is described in paragraph 16 (Cooling Off Cancellation Right).
<b>Cancellation Period</b>	A period of 30 calendar days beginning when you make your first investment into any PruFund Fund as part of your ISA or SIPP, or when you make a first investment into a PruFund Fund having left and rejoined the Platform. During this period you have a Cooling Off Cancellation Right as described in paragraph 16 (Cooling Off Cancellation Right).
<b>Daily Smoothing Limit</b>	A specified limit set by the Insurer at its discretion which may change from time to time.
<b>Expected Growth Rate</b>	An annual rate applied to the value of a PruFund Fund by which the Unit Price of the Holding Account and the Smoothed Fund of each PruFund Fund will increase by each day.
<b>FCA</b>	Financial Conduct Authority, which is the conduct regulator for financial services firms and which sets rules to be complied with by insurance undertakings.
<b>Gap After Adjustment</b>	A specified gap in respect of each PruFund Fund which is determined by the Insurer at its discretion.
<b>Holding Account (in relation to a PruFund Fund)</b>	The part of the PruFund Fund which holds investments received by the Insurer for investment in that PruFund Fund until Units are Swept into the Smoothed Fund of that PruFund Fund on a PruFund Investment Date.
<b>IFDL</b>	Investments Funds Direct Limited, which acts as Platform Services Provider, ISA account manager and SIPP operator. The role of IFDL is described in paragraph 6.1(a).
<b>Insurer</b>	The Prudential Assurance Company Limited. The role of the Insurer is described in paragraph 6.1(b).
<b>ISA</b>	An individual savings account within the meaning of the ISA Regulations.
<b>ISA Regulations</b>	The Individual Savings Account Regulations 1998 (SI 1998 No. 1870) as amended from time to time.
<b>Junior ISA</b>	A junior ISA account as defined in the ISA Regulations.

<b>M&amp;G Group of Companies</b>	The group of companies of which M&G plc is the parent company.
<b>Master Insurance Agreements</b>	Two agreements (one for ISA investments and one for SIPP investments) entered into between the Insurer, IFDL and the Nominee in order to make the PruFund Funds available on the Platform.
<b>Monthly Smoothing Limit</b>	A specified limit set by the Insurer at its discretion which may change from time to time.
<b>Net Asset Value Per Unit</b>	The Actual Fund Value divided by the total number of Units credited to a Smoothed Fund.
<b>Nominee</b>	Fundsdirect Nominees Limited. The role of the Nominee is described in paragraph 6.1(c).
<b>Nominee Trust Deed</b>	The trust deed under which the contractual rights against the Insurer that the Units represent are held by the Nominee on trust.
<b>Order Instruction</b>	An instruction given to IFDL. Usually this instruction is given by your adviser on your behalf in relation to your investments on the Platform. In the context of this Guide, the Order Instruction may be to buy or sell Units in a PruFund Fund, and where it is an instruction to sell Units it may be given for the purposes of enabling you to withdraw money from the Platform or to switch into a holding of cash or other funds or investments on the Platform.
<b>Platform</b>	The wealth platform operated by IFDL which is known as the “M&G Wealth Platform” or as the “Wren Sterling Wealth Platform”.
<b>Platform Account</b>	The account maintained by IFDL that records what assets are allocated to you on the Platform from time to time.
<b>Platform Customer Terms</b>	The terms which apply to your use of the Platform from time to time.
<b>Platform Services Provider</b>	The role performed by IFDL in operating the Platform.
<b>PruFund</b>	“PruFund” is a brand name given to a range of internal funds owned by the Insurer. PruFund is described in paragraph 3 (What is PruFund, and what are PruFund Funds?)
<b>PruFund Fund</b>	One of the current unitised With-Profits funds which allow access to smoothing and the returns of the With-Profits subfund. There are several PruFund Funds, each with their own fund name. A fuller description of the PruFund Funds is set out in paragraph 3 (What is PruFund, and what are PruFund Funds?)
<b>PruFund Investment Date</b>	The 25th of each calendar month or the following working day if the date is not a working day

<b>SIPP</b>	A Self Invested Personal Pension is a specialist pension product that allows the individual who holds it to choose and manage how their money is invested.
<b>SIPP Trustee</b>	IFDL Personal Pensions Limited.
<b>Smoothed Fund (in relation to a PruFund Fund)</b>	The part of the PruFund Fund which holds investments following the automated Sweep of Units from the Holding Account of that PruFund Fund on a PruFund Investment Date.
<b>Smoothing Process</b>	The mechanism which adjusts the investment returns of the PruFunds for some of the ups and downs of short-term investment performance to provide a more stable return. See the document titled “Your With-Profits Plan – a Guide to how we manage PruFund (Pricing Series F)” for more details.
<b>Swept</b>	On the PruFund Investment Date, units in the Holding Account of a PruFund Fund are automatically cancelled and replaced by Units in the corresponding Smoothed Fund. This process is described as the Units in the Holding Account being “swept” into the Smoothed Fund. The process is described in paragraph 4.6.
<b>Unit (in a PruFund Fund)</b>	One of the parts that a PruFund Fund is equally divided into for the purpose of recording benefits that are due to you. No-one “owns” the PruFund Fund units. The PruFund Fund units are just a record of the benefits due in respect of the PruFund Fund.
<b>Unit Price</b>	The price of a Unit in a PruFund Fund.
<b>With-Profits Fund</b>	A fund of the Insurer containing the assets that provide the primary support for the Insurer’s with-profits business.
<b>With-Profits Sub-Fund</b>	A sub-fund of the With-Profits Fund.



