

Fund Guide

# M&G Wealth Platform – PruFund funds

# Where to find information in this guide

## Please remember:

- 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 at as at 22 January 2024.
- 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](https://pru.co.uk/funds)
- All views are Prudential's own.
- If there's information in this document that you'd like to discuss, then please contact 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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**Before making any decisions you should speak to your financial adviser. They can discuss and help you understand your fund selection.**

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 0800 000 000 and we'll send these out to you.

# Available funds

The funds shown in this guide are available on the M&G Wealth Platform with Investment Funds Direct Ltd (IFDL) ISA, JISA and SIPP, which means the Investment Funds Direct Personal Pension Scheme.

## Important information

You'll find Investment Option Documents for each of the PruFund and PruFund Planet funds that are open to new investors at [pru.co.uk/priip-docs/IFDL](https://pru.co.uk/priip-docs/IFDL). These documents are also available from IFDL.

These documents include information such as:

- Investment objective
- Risk indicator

**For the funds listed below, it's very important, to make an informed decision, you read both the relevant Key Information Document(s) and Investment Options Document(s), as they will provide you with the key risks of the funds and the charges.**

PruFunds are multi asset funds which are part of Prudential's With Profits Fund, which is one of the largest with profits funds in the UK. All of Prudential's PruFund funds are invested in our With-Profits Fund. There are significant differences in the asset mixes and objectives of each fund, and in the way returns are calculated compared to other With-Profits Fund investments.

PruFund funds aim to grow your money over the medium to long term (5 to 10 years or more), while protecting you from some of the short term ups and downs of direct stock market investments. We do this by using an established smoothing mechanism and spreading the risk by investing across a wide range of assets, our Multi Asset approach. This means that while you won't benefit from the full upside of any potential stock market rises you won't suffer from the full effects of any downturns either.

For all our funds, please remember the value of your investment can go down as well as up so you might get back less than you put in.

To understand more about smoothing, please refer to our customer document 'A step-by-step guide to the PruFund smoothing process' – PRUF1098101, available from your financial adviser.

### **PruFunds on platform are:**

PruFund Cautious Fund  
PruFund Growth Fund

### **PruFund Planet Funds**

PruFund Planet 1 Fund  
PruFund Planet 2 Fund  
PruFund Planet 3 Fund  
PruFund Planet 4 Fund  
PruFund Planet 5 Fund

### **Risk Managed PruFund Funds**

PruFund Risk Managed 1 Fund  
PruFund Risk Managed 2 Fund  
PruFund Risk Managed 3 Fund  
PruFund Risk Managed 4 Fund  
PruFund Risk Managed 5 Fund

# Information to read before making a decision

Our PruFund Planet and Risk Managed PruFunds funds are designed to suit different attitudes to risk and reward. They all benefit from our established smoothing mechanism and are aimed at investors looking to invest for 5-10 years or more.

Each PruFund Planet and Risk Managed PruFund fund has a different volatility objective, a measure of how much an investment's price is likely to go up or down during a set period of time. Which means your adviser can recommend a fund that's appropriate to your attitude to risk and reward.

These funds are numbered one to five based on how volatile we expect each fund to be after smoothing has been applied. For example, Prudential PruFund Planet 1 and PruFund Risk Managed 1 have the lowest volatility limit and therefore has the lowest amount invested in stocks and shares.

Prudential PruFund Planet 5 and PruFund Risk Managed 5 on the other hand, have the highest volatility limit of 17% after smoothing, and has the highest amount invested in assets that are likely to be more volatile.

## A word about volatility

It's important to consider the behaviour and volatility of asset classes, over time. For example, if an asset class (a name for a group of assets with similar risk and growth potential) rises and falls rapidly over the short-term, it's considered to be more volatile. You may feel that the volatility which can result from investing in a single asset class is unacceptable. But at the same time, you're looking to achieve returns that offer the potential to outstrip inflation.

So spreading your money over a variety of asset classes with the potential to gain some exposure to higher performing assets, without the risks that come from 'putting all your eggs in one basket', or in one asset class, could be an option to try to help you manage volatility levels.

The objective of a fund gives information on where that fund can invest. You can find the objective of each of the funds listed in this fund guide in their Investment Options Document at: [pru.co.uk/priip-docs/IFDL](https://pru.co.uk/priip-docs/IFDL)

There is no guarantee the fund will achieve its objective of managing the volatility to the target level.

You can also find more information available on the fund at: [pru.co.uk/funds](https://pru.co.uk/funds)

## About our PruFund Planet funds

The range is designed for those who want to know their savings are creating positive outcomes but who also want a smoothed investment experience. PruFund Planet offers the potential for steady returns for saving and retirement.

PruFund Planet Funds seek to exclude investment in areas that do harm to the planet. PruFund Planet funds proactively look for opportunities that focus on Environmental, Social and Governance (ESG) factors, and look to invest some of your money in areas that have specific goals to help contribute to a better world.

## Environmental, Social and Governance (ESG) and our PruFund and PruFund Planet funds

Our PruFund range is focused on responsible investing such as avoidance of harms via exclusions and mitigating ESG risks.

Our ESG approach applies to all funds that we manage, which means that we incorporate ESG factors into our investment decisions to better manage risk and generate sustainable, long-term returns and drive improvement on diversity and climate.

If you want to know that your money is helping benefit the environment and society, whilst supporting your financial goals and potential competitive returns, the PruFund Planet funds go a step further by seeking to pursue ESG opportunities and create high-impact solutions that seek to address pressing social or environmental issues.

PruFund Planet funds will predominantly invest in underlying funds that are not present in our PruFund ranges. PruFund Planet aims to generate differentiated investment outcomes to the existing PruFunds.

For more information on investing for the good of the planet, please go to:

[pru.co.uk/investments/investing-for-good/](https://pru.co.uk/investments/investing-for-good/)

## 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.

For the PruFund and PruFund Planet range of funds, any money invested will create new units. The price of each unit, including what you receive if you take your money out will depend on:

- the value of the underlying investments
- the Smoothing Mechanism, including the level of Expected Growth Rates and any applicable Unit Price Adjustments
- our charges
- and when you take your money out.

## 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.

The AMC for the PruFund funds is accounted for in the Unit Price.

For the funds shown on page 3, each have an applicable Key Information Document and Investment Option Document. These include the following ongoing costs information:

- Portfolio transaction costs – The impact of the costs of buying and selling underlying investments.
- Other ongoing costs – The impact of the costs that a fund manager takes each year for managing your investments.

In those documents the 'Other ongoing costs' shown include the Annual Management Charge and, where applicable, further costs that may also apply. Further explanations on what these are follow below.

The AMC for the PruFund funds is taken by the monthly cancellation of units from each investment. The annual charge will be deducted for PruFund on the Monthly Transaction Date (MTD), based on the PruFund units held on that date (with no pro-rata adjustment).

No proportionate AMC is taken on units cancelled prior to MTD. Please refer to your Master Insurance Agreement – Customer version for further information.

You may be entitled to a reduction to the AMC you pay on any PruFund Funds you hold in your M&G Wealth Platform ISA.

## Further costs

In addition to the annual management charge, 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 shown on fund factsheets?	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 fund or, where it's applicable, any fund our fund invests in. See the 'fund objective' or 'Investment objective' for information on where a fund might invest. You can find the objective of each fund in the Investment Options Document at: [pru.co.uk/priip-docs/IFDL](https://pru.co.uk/priip-docs/IFDL)

An Investment Option Document together with your illustration will include information on fund charges and further costs applicable to your chosen fund(s).

Fund charges and further costs may vary in future and they may be higher than they are now. We'll let you know if an AMC goes up 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 (IFDL ISA, JISA and SIPP), your fund choice or the fund charges and further costs applicable then we recommend you speak to your financial adviser.

## Investing in PruFunds

The smoothing process offered by our PruFund funds means that we may apply restrictions to certain switches and withdrawals from these funds. To find out more, please refer to your product Key Features Document, and the associated document "Your With-Profits Plan – a guide to how we manage the Fund (PruFund range of funds)" – WPGB0031, and your Master Insurance Agreement – Customer version or, for PruFund Planet funds, please refer to 'Your With-Profits Plan – a guide to how we manage the Fund – PruFund (Series F) range of funds' – WPG244201, and your 'Guide to the PruFund Terms' on the Platform. We strongly suggest these documents are read before any investment decision is made.

PruFunds are multi asset funds which are part of Prudential's With Profits Fund, which is one of the largest with profits funds in the UK. There are differences across the range of PruFund funds, in terms of asset mix and objectives which means the returns received will vary based on fund choice.

PruFund funds aim to grow your money over the medium to long term (5 to 10 years or more), while protecting you from some of the short term ups and downs of direct stock market investments. We do this by using an established smoothing mechanism and spreading the risk by investing across a wide range of assets, our Multi Asset approach. This means that while you won't benefit from the full upside of any potential stock market rises you won't suffer from the full effects of any downfalls either. Please refer to "Your With-Profits Plan – a guide to how we manage the Fund" (document reference WPGB0027 for With-Profits and WPGB0031 for PruFund) for more information.

In certain circumstances, we can reset the Smoothed Price (sometimes referred to as unit price) of one or more PruFunds to the Unsmoothed Price on a particular day, to protect the With Profits sub fund, and therefore the interests of all our With Profits policyholders. We have an established PruFund smoothing mechanism, which our monitoring has shown to be highly effective over many years and across different market conditions.

Through the smoothing mechanism, Smoothed Prices are increased by Expected Growth Rates; however, the underlying performance of our PruFund Funds is also monitored and a Unit Price Adjustment is applied if the short term performance differs too much from our current Expected Growth Rate. This is to ensure we're not paying too much, or too little to our customers.

## To find out more

For more information on the above, please refer to the 'Guide to the PruFund Terms' on the Platform. For the funds listed on page 3, it's very important that you read both the Key Information Document and relevant fund Investment Option Document(s) before making an investment decision.

We will use Unit Price Resets to ensure continued fairness for customers, they are only expected to be used in highly unusual circumstances.

There may be occasions where we have to suspend the smoothing mechanism for one or more PruFunds for a period of consecutive days, to protect our With Profits Fund and those invested in it. When this happens, the Smoothed Price for the affected fund(s) is set to the Unsmoothed Price for each day until the smoothing mechanism is reinstated.

We will suspend smoothing to ensure continued fairness for customers, this is only expected to be used in highly unusual circumstances.

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.

## Compensation

The products Prudential Assurance Company Limited (PACL) offer are covered by the Financial Services Compensation Scheme (FSCS). If we get into financial difficulties, you may be able to make a claim. The FSCS is an independent body set up by Government to provide compensation for people where their authorised financial

services provider gets into financial difficulties and becomes unable, or unlikely to be able, to pay claims against it. This circumstance is referred to as being 'in default'.

Losses, which may result from poor investment performance, are not covered by the FSCS.

## Where does FSCS protection apply?

**There is full FSCS coverage if PACL is 'in default'.**

- If you hold the Prudential PruFund funds, then they're protected 100% in the event of PACL being 'in default'.

For information on the cover applicable, please refer to the 'Guide to the PruFund Terms' on the Platform.

You can find out more information on the FSCS at [pru.co.uk/fscs](https://pru.co.uk/fscs), or you can call us.

Information is also available from the Financial Services Compensation Scheme.

Visit their website: [fscs.org.uk](https://fscs.org.uk)

Or write to: **The Financial Services Compensation Scheme, PO Box 300, Mitcheldean GL17 1DY**

Or call the FSCS: Telephone: **0800 678 1100**

## Further information

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