



## PRUDENTIAL REFRESHES INVESTMENT FUND RANGE

- **PruFolio fund range will consist of 14 refreshed funds with a new PruFund launched for investors with higher risk appetite**
- **Investment objectives will include a volatility ceiling for each fund to define risk levels**

Prudential is refreshing and extending its range of investment funds to help financial advisers better match investments to their customers' risk profile.

The new PruFolio Risk Managed fund range will launch on 21<sup>st</sup> January 2019 and is designed to appeal to customers who want diversified funds that offer the prospect of better long-term returns than provided by cash accounts.

PruFolio consists of five passive, five active and five smoothed funds and includes a new fund – Risk Managed PruFund 5 (*see note to editors* \*). Charges for OEIC versions of the funds will be reduced by up to 100 basis points, and investment objectives will switch from specifying a maximum equity content to introducing a volatility ceiling giving fund managers more flexibility in how they manage their funds.

OEIC versions of the funds will be available on major platforms, while PruFund will be available on Prudential's pension, ISA and bond products. The investment objectives and fund names of the Dynamic Portfolio funds, Dynamic Focused Portfolio funds and Risk Managed PruFund Funds will also change. (\*\* *See notes to editors*).

**Paul Fidell, senior business development manager for investments at Prudential, said:**

“The PruFolio range provides advisers with a robust investment philosophy with a choice of three investment styles – passive, active and smoothed – and five risk strategies. It has been introduced following extensive consultation with financial advisers and customers, and will help us manage our customers' money to get them the best return for the level of risk they are willing to take.

“We believe the PruFolio range will appeal to advisers who want a selection of funds they can use to more easily match to clients' risk profile in different stages of their life. It is designed for customers who want a diversified investment that offers the prospect of better returns over five to 10 years than they would get from leaving money in a bank.

“Advisers have told us they want outcome-oriented funds. Targeting volatility rather than sticking to a predetermined equity content is a clearer way to align the funds’ objectives to a customer’s risk profile. The previous investment objectives prescribed how much of a fund could be invested in equities but managing the funds within these limits doesn’t necessarily enable managers to target a specific level of risk. Our fund managers will now have more flexibility in how they manage each fund to its agreed level of risk.”

Strategic asset allocation decisions for the PruFolio funds will be made by the M&G Prudential Investment Office, which includes the team formerly called the Prudential Portfolio Management Group. The M&G Prudential Investment Office has about 80 economists, investment strategists, analysts and mathematicians overseeing the management of over £170bn of Prudential investments (as at 30 June 2018). The investment portfolios of the PruFolio fund range will be managed by M&G Investments.

– Ends –

## Notes to editors

### \* About new Risk Managed PruFund 5

The new PruFund 5 aims to achieve long-term total returns (the combination of income and growth of capital) and will have the highest level of exposure to risk assets. It is designed to appeal to investors who want to try and achieve higher rates of return while benefitting from the smoothing mechanism. Its expected growth rate (EGR) is the highest for any version of PruFund. There is no guarantee that the Fund will achieve its objective of managing the volatility to the ceiling level.

### Expected Growth Rates (EGRs)

The EGRs reflect Prudential’s view of how each fund will perform over the long term (up to 15 years). EGRs are set each quarter on 25th February, May, August & November (or next working day). The EGRs set on 26 November 2018 will apply to the Risk Managed PruFund range when it is launched on 21 January 2019. These are:

Fund	RMPF 1	RMPF 2	RMPF 3	RMPF 4	RMPF 5
Pension/ISA	5.1%	5.5%	6.1%	6.3%	6.6%
Onshore bonds	4.1%	4.5%	5%	5.3%	5.6%

*RMPF: Risk Managed PruFund*

### \*\*About fund changes charges

	Current fund name and OCF	New fund name and OCF
Oeics	LF Prudential Dynamic Portfolio range – 1.45%-1.65%	LF Prudential Risk Managed Active range – 0.55%-0.57%
	LF Prudential Dynamic Focused Portfolio	LF Prudential Risk Managed Passive

	range – 0.85%-0.95%	range – 0.25%-0.26%
<b>PruFunds</b>	Prudential Risk Managed PruFund range- 0.72%-0.82%	Prudential Risk Managed PruFund range – 0.72%-0.84%

*Ongoing charges figure (OCF) for the 'P' Oeic share class. Additional product or platform charges may apply*

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