

Fund Guide

Prudential Investment Plan

This fund guide includes a list of funds that are available with our Prudential Investment Plan.

Some important notes we'd like you to read:

- 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 would like one of these please contact us on 0345 640 2000 and we'll send these out to you.
- 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 30 June 2020, 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 pru.co.uk/funds
- All views are Prudential's own.
- For important decisions it's always good to talk to experts who can help you, that's why we recommend that you discuss fund selection with your financial adviser.
- If there is 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 to search for an independent financial adviser in your area.

| | |
|--|----|
| Funds that are open to new and existing investors | 3 |
| Information to read before making a decision | 6 |
| Funds that are only available to existing investors | 10 |
| Funds that were only open to existing investors in the funds – before January 2018 | 13 |
| Funds that are unavailable to new investments – on or after January 2018 | 13 |
| Some useful investment terms | 14 |

Funds that are open to new and existing investors

You'll find a Key Information Document for the Prudential Investment Plan, and Investment Option Documents for each of the funds that are open to new investors at pru.co.uk/Key_information

These documents include information such as:

- Investment objective
- Risk indicator
- Performance scenarios

For the funds listed below, it's very important that you read both the Prudential Investment Plan Key Information Document and relevant fund Investment Option Document(s) before making an investment decision.

If you're invested in a fund, that's available through the Prudential Investment Plan, but it's not listed in this section then please see pages 12 to 13.

Prudential Multi-Asset Funds

Multi-Asset funds work by spreading your money across a number of different types of assets. These can include a number of investment options, such as company shares (equities), fixed interest bonds, cash and property – from both the UK and abroad.

By investing in a number of different assets the fund manager aims to balance the risk that's being taken. So if one asset is falling in value then another may be increasing. Of course there could be times when all the assets in the fund are either rising or falling in value depending on the market conditions at that time.

The following are examples of Multi-Asset funds we offer.

| |
|--|
| Prudential Risk Managed PruFund Funds |
| Prudential PruFund Risk Managed 1 |
| Prudential PruFund Risk Managed 2 |
| Prudential PruFund Risk Managed 3 |
| Prudential PruFund Risk Managed 4 |
| Prudential PruFund Risk Managed 5 |
| Prudential Risk Managed Passive Funds |
| Prudential Risk Managed Passive 1 |
| Prudential Risk Managed Passive 2 |
| Prudential Risk Managed Passive 3 |
| Prudential Risk Managed Passive 4 |
| Prudential Risk Managed Passive 5 |
| Prudential Risk Managed Active Funds |
| Prudential Risk Managed Active 1 |
| Prudential Risk Managed Active 2 |
| Prudential Risk Managed Active 3 |
| Prudential Risk Managed Active 4 |
| Prudential Risk Managed Active 5 |
| Other Prudential Multi Asset Funds |
| Prudential PruFund Cautious |
| Prudential PruFund Growth |

Additional Fund Choice

The choice of funds covers a range of different assets and types of funds which could be right for you at different times. Some of the funds are managed by Prudential whilst others are managed by external fund managers. These funds offer additional choice.

The following funds are all Prudential funds. For the externally managed funds the Prudential fund will invest in the fund manager's own fund or collective investment scheme.

| Additional Fund Choices | |
|--|--|
| Prudential Artemis European Growth | Prudential DMS Verbatim Portfolio 6 (Formerly Prudential HC Verbatim Portfolio 6)* |
| Prudential Artemis Strategic Bond | Prudential DMS Verbatim Portfolio 7 (Formerly Prudential HC Verbatim Portfolio 7)* |
| Prudential Artemis UK Smaller Companies | Prudential International |
| Prudential Baillie Gifford American | Prudential Invesco Global Bond |
| Prudential Baillie Gifford High Yield Bond | Prudential Invesco Global Targeted Returns |
| Prudential BlackRock Gold & General | Prudential Invesco Income |
| Prudential BlackRock UK | Prudential Invesco Managed Growth |
| Prudential BlackRock UK Special Situations | Prudential Janus Henderson China Opportunities |
| Prudential BNY Mellon Multi-Asset Balanced ^{#*} | Prudential Japanese |
| Prudential Cash | Prudential JP Morgan Natural Resources |
| Prudential Equity | Prudential Jupiter Merlin Balanced Portfolio* |
| Prudential European | Prudential Jupiter Merlin Growth Portfolio* |
| Prudential Fidelity Asia | Prudential L&G UK Property ^{##} |
| Prudential Fidelity European | Prudential M&G Corporate Bond |
| Prudential Global Emerging Markets Portfolio | Prudential M&G Dividend |
| Prudential DMS Verbatim Portfolio 3 (Formerly Prudential HC Verbatim Portfolio 3)* | Prudential M&G Episode Allocation |
| Prudential DMS Verbatim Portfolio 4 (Formerly Prudential HC Verbatim Portfolio 4)* | Prudential M&G Episode Growth |
| Prudential DMS Verbatim Portfolio 5 Growth (Formerly Prudential HC Verbatim Portfolio 5 Growth)* | Prudential M&G Gilt and Fixed Interest Income |
| Prudential DMS Verbatim Portfolio 5 Income (Formerly Prudential HC Verbatim Portfolio 5 Income)* | Prudential M&G Global High Yield Bond |
| | Prudential M&G Global Themes |

[#] Previously known as Prudential Newton Multi-Asset Balanced Fund.

^{*} This fund is scheduled for closure in the foreseeable future and you may wish to take this into account if choosing to invest in it for the longer term. Existing investors will be contacted directly prior to the point of closure.

^{##} This fund is currently suspended.

| Additional Fund Choices - continued |
|--|
| Prudential M&G Managed Growth |
| Prudential M&G Optimal Income [^] |
| Prudential M&G Property Portfolio |
| Prudential M&G Recovery |
| Prudential M&G Smaller Companies |
| Prudential M&G Strategic Corporate Bond |
| Prudential M&G UK Select |
| Prudential Managed |
| Prudential Merian UK Mid Cap |
| Prudential Ninety One Global Strategic Equity [#] |
| Prudential North American |
| Prudential Pacific Markets |
| Prudential Royal London Sustainable Leaders |
| Prudential Schroder Income |
| Prudential Schroder Tokyo |
| Prudential UK Equity and Bond |
| Prudential UK Tracker |

| Distribution Income Funds* |
|---|
| Prudential 0-35% Equity Managed Distribution (Inc) ^{**} |
| Prudential Invesco Income (Inc) ^{***} |
| Prudential M&G Corporate Bond (Inc) ^{***} |
| Prudential M&G Dividend (Inc) ^{**} |
| Prudential M&G Gilt and Fixed Interest Income (Inc) ^{**} |
| Prudential M&G Global High Yield Bond (Inc) ^{***} |
| Prudential M&G Property Portfolio (Inc) ^{***} |
| Prudential Managed Distribution (Inc) ^{**} |

⁺ These funds can pay out a natural “income” based on what the underlying assets in the fund have earned (this can include dividends from shares, lease payments from properties, interest from fixed interest holdings). Please see your Key Features Document for further information on withdrawing money from your plan.

^{**} These funds distribute on the 17 February/17 August each year.

^{***} These funds distribute on the 17 May/17 November each year.

[^] Fund launched on 13 March 2020.

[#] Previously known as Prudential Investec Global Strategic Equity Fund.

Information to read before making a decision

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 investments in the With-Profits Fund(s) (see page 12), the value of the plan depends on how much profit the funds make and how we decide to distribute it. You should understand how the With-Profits Fund works before investing. If you're not sure, please speak to a financial adviser.

For the PruFund range of funds, what you receive will depend upon:

- the value of the underlying investments
- the Expected Growth Rates set by the Prudential Directors having regard to the investment returns expected to be earned on the assets of the funds over the long-term (up to 15 years)
- our charges
- the smoothing process
- whether you have chosen a Protected fund
- and when you take your money out

The guarantee, if applicable, is applied to your plan on the guarantee date. Please speak to your adviser or visit pru.co.uk/investments/investment-fund-range/prufund-range for more information on PruFund and how it works, including an explanation of Expected Growth Rates.

Fund charges and further costs

Annual Management Charge

The funds shown on pages 3 to 5, 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. For the funds that don't have a Key Information Document and Investment Option Document (as they're no longer available for new investors) but are still available to existing investors, then please go to pages 12 to 13 for fund charges and further costs.

We take a base Annual Management Charge (AMC) for looking after your investment, from each of the funds you invest in. By 'base' we mean the AMC that's applicable before any discounts might apply. Your Key Features Document will provide further information. 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.

For With-Profits the annual charge applied will depend on the returns we achieve on our With-Profits funds. For example, we'd expect an annual charge of 1.25%, which is included in the fund charges and further costs figures on page 12, if the fund returns are 4.5% a year after tax.

Charges on With-Profits business depend on the performance of the With-Profits Fund and, in particular, the investment returns achieved and expenses incurred. Over time, if investment returns are higher, then the charges would be expected to be higher, and if investment returns are lower, the charges would be expected to be lower.

There's an additional charge to pay for the guarantees the With-Profits Fund supports. The annual charge, further costs, and charges to cover the cost of these guarantees, are already taken into account when we calculate the bonus rates for our With-Profits Fund. To find out more about the charges for this fund, please refer to the Key Features Document and other plan documentation, including your annual statement, or speak to your adviser.

The AMC for the PruFund funds is taken by the monthly cancellation of units from each investment.

If you select a Protected PruFund Fund, you'll be able to select from a range (where available) of guarantee terms, where the guarantee will only apply at the end of the selected guarantee term. Each guarantee term, where available, has its own additional charge and this will be payable for the whole of this term.

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 fund or, where it's applicable, any fund our fund invests in (see the 'Investment strategy' or 'Investment objective' for information on where a fund might invest).

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 write to you if an AMC goes up for a fund you are invested in, unless the change in the AMC we quote is part of the expected function of that fund (for example our With-Profits fund – see your Key Features Document for more information). 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, your fund choice or the fund charges and further costs applicable then we recommend you speak to your financial adviser.

The further costs listed in this guide are indicative, based on the current levels of costs, and are correct as at 30 June 2020, unless another date is shown.

How funds invest

Some of the Prudential funds listed in this guide may invest in 'underlying' funds or other investment vehicles. Have a look at a fund's objective and that will tell you where it invests – including if that's in an underlying fund or funds.

If the Prudential fund is investing in just one underlying fund then it's what's known as a 'mirror' fund, as the performance of the Prudential fund broadly aims to reflect the performance of the underlying fund it invests in. The performance of our Prudential fund, compared to what it's invested in won't be exactly the same. The differences between the underlying fund and our fund can be due to:

- additional charges,
- cash management (needed to help people to enter and leave our fund when they want),
- tax,
- timing of investments (this is known as a fund's dealing cycle, it varies between managers and can be several days).

PruFund Funds are all invested in the Prudential With-Profits Fund. The 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 our With-Profits funds compared to PruFund funds. 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. We strongly suggest these documents are read before any investment decision is made.

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.

Unit pricing basis for unit-linked funds

When we determine the basis to be used for calculating the unit price, it's important to think about how much money is either going into or is being taken out of either Prudential's fund or the underlying investment. The unit price is then used to determine the value of individual policyholders' investments in the fund.

If more money is being paid into the fund than is being taken out, then the fund will need to purchase assets. If this is the case then the amount that's needed to buy assets for the fund (i.e. the purchase price) will be more relevant than the amount obtained for selling the assets (i.e. the sale price) in determining the unit price of the fund.

If more money is being taken out of the fund than is being paid in then the fund will need to sell assets. If this is the case, the sale price of the underlying assets will be more relevant when calculating the unit price. Sales prices are generally lower than purchase prices. The size of the difference depends on the cost of either purchasing or selling the assets the fund invests in.

These costs tend to be largest for funds investing in property, smaller companies and emerging markets so will have the largest impact on the change in price. If there is a switch from a purchase price to a sales price then the unit price could reduce.

If there's a switch from a sales price to a purchase price then the unit price could go up. In both cases the movement in price can be frequent, significant and will happen straight away.

You can find details of how we manage our Unit-Linked funds at pru.co.uk/ppfm/ul

You'll also find there a shortened "Customer Guide", which explains briefly how the Prudential unit-linked funds work and our current approach to managing them. It explains the standards and practices we use to manage the funds. Principally the guide will explain:

- the nature and extent of the decisions we take to manage the funds, and
- how we treat customers and shareholders fairly

Further information

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.

If you have any questions about this product, your fund choice or the charges applicable then we recommend you speak to your financial adviser.

For any fund, there may be a delay in buying, selling or switching of units. These delays will only apply in exceptional circumstances. We wouldn't expect delays to be longer than six months for units that invest in property or land and one month for units that invest in other funds. However we can't guarantee that we'll never delay longer than these timescales. If these delays apply to you, we'll let you know.

Compensation

The Prudential Assurance Company Limited (PACL) is 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'.

- Your plan is protected up to 100% of the value of your claim.
- Any funds you choose to hold in your plan will be included in the value of your claim in the event that PACL is declared 'in default'.
- If you hold the Prudential With-Profits funds or PruFund funds in your plan, they are protected 100% in the event of the default of PACL.

All the other funds we offer, apart from those mentioned above, are unit-linked, and invest in other funds managed by non-PACL fund managers. FSCS cover does not apply if the non-PACL fund manager were to be 'in default'.

- There is no FSCS cover for unit-linked funds investing with non-PACL fund managers if that manager were to be 'in default'.

- See 'How funds invest' for further information on these types of fund (often called 'mirror' funds).

You can find out more information on the FSCS at 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

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

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

Where FSCS coverage does not apply, then other factors can come in

As explained in the 'Where does FSCS protection apply?' section, the FSCS doesn't cover every situation. For example unit-linked funds that invest in the funds of non-PACL fund managers (often called 'mirror' funds).

But, where FSCS protection does not apply, there are other factors that could help if the worst happened and a provider was 'in default'. For example, the use of custodians or depositories to provide protection for fund assets, where there is separate legal ownership of assets and legal entities that aren't liable for any losses of a fund manager. In so doing, the intention is that the underlying fund will not be liable for any losses the underlying fund management company incurs.

PACL would aim to recover any money invested in an underlying fund where the fund manager has been declared 'in default', but PACL would not be liable for any loss incurred from the default of the non-PACL fund manager.

To find out more

For more information on the above, please refer to your Policy Provisions.

For the funds listed on pages 3 to 5, it's very important that you read both the Key Information Document and relevant fund Investment Option Document(s) before making an investment decision. Pages 12 to 13 provide important information for funds that do not have a Key Information Document and Investment Option Document.

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 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:

- The value of our funds may go down as well as up. You may not get back the full amount of your investment.
- These risk and potential reward categories are not the same as the information provided in Investment Options Documents and so it's not appropriate to compare directly across different funds.
- 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 might 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 this fund guide, along with further information, at pru.co.uk/funds. For details of material fund changes please visit pru.co.uk/fundchanges. Information is normally shown for one year.

2. Asset class risk types

- Funds can invest in different types of assets. There are many types of risks but generally, the higher the potential returns, the higher the risk.
- Some funds can invest in more than one asset type to try and reduce the risk of losing money. So they're not relying on the performance of an individual asset or assets of the same type. We call this diversification.
- The next few pages show which asset class risk types relate to individual funds.
- You'll find definitions for each of the risk types by visiting pru.co.uk/risktypes

Please take time to review the fund information you were given when you took out your plan. This should include an Investment Option Document if you took out the plan after January 2018. Up to date information on each fund can be found at pru.co.uk/funds

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

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

The information included in this guide is correct as at 30 June 2020 unless another date is shown.

Access to the funds below is no longer available to new customers investing in Prudential Investment Plan on or after 11/09/2017. However 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 Optimum Return and the Prudential With-Profits Optimum Bonus Fund.

| | Risk and Potential Reward Indicator | Fund charges and further costs | | | Asset Class Risk Types | | | | | | | | | Can existing investors in the product top-up | Can existing investors in the product switch in |
|---|-------------------------------------|--------------------------------|-------------------|-------------------------------|------------------------|----------------|----------|----------|--|-----------------------|-------------------------|-------|-----|--|---|
| | | Annual Management Charge (%) | Further Costs (%) | Yearly Total (%) [~] | Equity | Fixed Interest | Property | Currency | Smaller Companies and Emerging Markets | Financial Instruments | Alternative Investments | Other | | | |
| Prudential With-Profits (Optimum Bonus) | C | 1.25 | 0.11 | 1.36 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Yes | Yes | |

The fund aims to produce medium to long term growth and generate income. The fund currently invests in UK and international equities, property, fixed interest securities, index-linked securities and other specialist investments.

| | | | | | | | | | | | | | | |
|--|---|------|------|------|---|---|---|---|---|---|---|---|-----|-----|
| Prudential With-Profits (Optimum Return) | C | 1.25 | 0.15 | 1.40 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Yes | Yes |
|--|---|------|------|------|---|---|---|---|---|---|---|---|-----|-----|

The fund aims to maximise growth over the medium to long term by investing in shares, property, fixed interest and other investments. The fund currently invests in UK and international equities, property, fixed interest securities, index-linked securities and other specialist investments.

These funds are both invested in the Prudential With-Profits Fund, and aim to protect investors against some of the extreme highs and lows of investment performance using a "smoothing" mechanism. Please refer to "Your With-Profits Plan – a guide to how we manage the Fund" (document reference WPGB0027 for With-Profits) for more information.

For With-Profits the annual charge applied will depend on the returns we achieve on our With-Profits funds. For example, we'd expect an annual charge of 1.25%, which is included in the figures above if the fund returns are 4.5% a year after tax. There's an additional charge to pay for the guarantees the With-Profits Fund supports. The annual charge, further costs, and charges to cover the cost of these guarantees, are already taken into account when we calculate the bonus rates for our With-Profits Fund. To find out more about the charges for this fund, please refer to the Key Features Document or speak to your adviser.

[~] This is equivalent to the 'Other ongoing costs' in an Investment Option Document. Any 'Portfolio transaction costs' or 'Portfolio fees' provided in a Key Information Document and Investment Option Document are not included in the figure above. If 'Portfolio transaction costs' or 'Performance fees' are applicable they will impact on the overall performance of a fund.

Funds that were only open to existing investors in the funds – before January 2018

As these funds were made unavailable to new investors before January 2018, they don't have an Investment Option Document. However, you can see information about the funds below. They are no longer open to further investment or switches.

| | Risk and Potential Reward Indicator | Fund charges and further costs | | | Asset Class Risk Types | | | | | | | | Can existing investors in the product top-up | Can existing investors in the product switch in |
|---|-------------------------------------|--------------------------------|-------------------|-------------------------------|------------------------|----------------|----------|----------|--|-----------------------|-------------------------|-------|--|---|
| | | Annual Management Charge (%) | Further Costs (%) | Yearly Total (%) [~] | Equity | Fixed Interest | Property | Currency | Smaller Companies and Emerging Markets | Financial Instruments | Alternative Investments | Other | | |
| Prudential M&G UK Equity Income (Inc)** | F | 1.10 | 0.06 | 1.16 | ✓ | | | | | | | | No | No |

The investment strategy of the fund is to purchase units in the M&G Dividend Fund. That fund invests mainly in a range of UK equities with the aim of achieving a steadily increasing income stream. The fund will target a yield higher than that of the FTSE All-Share Index. Subject to this, the aim will be to maximise total return (the combination of income and growth of capital).

- [~] This is equivalent to the 'Other ongoing costs' in an Investment Option Document. Any 'Portfolio transaction costs' or 'Performance fees' provided in a Key Information Document and Investment Option Document are not included in the figure above. If 'Portfolio transaction costs' or 'Performance fees' are applicable they will impact on the overall performance of a fund.
- ^{**} This fund can pay out a "natural income" based on what the underlying assets in the fund have earned (for example this can include dividends from shares). Please see your Key Features Document for further information on withdrawing money from your plan. This fund distributes on the 17 February/17 August each year.

Funds that are unavailable to new investments – on or after January 2018

An Investment Option Document isn't available for the funds below. You can get more information on these funds including objective and historical charges, on request. Please contact us on 0345 640 1000 (Monday-Friday 8am-6pm. Calls may be recorded for security and quality purposes.

Customers can send us a secure message by registering for our online service. Go to pru.co.uk/existing-customers to find out more.

Prudential PruFund Protected Cautious (Unavailable to new investments since 25 November 2019).

Prudential PruFund Protected Growth (Unavailable to new investments since 25 November 2019).

Some useful investment terms

Learn about some investment related 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 IOUs 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, OEICs, Unit Trusts, Mutual funds, usually either 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. Shares have two potential benefits. Firstly, the share price moves as the value of the company changes. Also, regular payments, called dividends, may be made to the owner of the share. These are based on how well the company is doing.

Financial Times Stock Exchange (FTSE)

London Stock Exchange Group plc and its group undertakings (collectively, the “LSE Group”). © LSE Group 2020. FTSE Russell is a trading name of certain of the LSE Group companies. e.g., “FTSE®” “Russell®”, “FTSE Russell®”, “MTS®”, “FTSE4Good®”, “ICB®”, “Mergent®, The Yield Book®,” are a trade mark(s) of the relevant LSE Group companies and are used by any other LSE Group company under license. “TMX®” is a trade mark of TSX, Inc. and used by the LSE Group under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

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.

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.

Undertakings for Collective Investment in Transferable Securities (UCITS)

Collective investments, such as OEICs and SICAVs, which can be sold across national borders within the EU.

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.

Further information

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

pru.co.uk

"Prudential" is a trading name of The Prudential Assurance Company Limited which is registered in England and Wales. Registered Office at 10 Fenchurch Avenue, London EC3M 5AG. Registered number 15454. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.