

# Risk Managed PruFund Funds

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

## PruFund Features

- Uses our established PruFund smoothing process.
- Access to a globally diversified range of assets.
- The expertise of Prudential Group fund managers here in the UK and around the world.
- Managed by the multi-asset investment experts at M&GPrudential Treasury & Investment Office (T&IO), includes the team formerly known as Prudential Portfolio Management Group.

## Risk Managed PruFund Features

- The five funds aim to help advisers match the results of their client risk assessments to funds that offer a range of potential returns and levels of risk.
- As these funds use our established PruFund smoothing process, each fund has an Expected Growth Rate (EGR), that we review each quarter. If the short term performance differs too much from our Expected Growth Rate we would apply an upward or downward Unit Price Adjustment (UPA) to the fund.
- They use T&IO asset allocation models to decide the high level asset allocation positions for each of the funds.
- Within each high level asset type (for example international equities or fixed interest) the amount held in different types of that asset is driven by the proportion held in the main With-Profits Fund.
- We can't predict the future. Past performance isn't a guide to future performance.
- These funds invest in our With-Profits Fund, but have different asset allocations and fund aims. There may be occasions where we have to suspend the smoothing process for one or more PruFund funds for a period of consecutive days, to protect our With-Profits fund. This can happen independently for each fund in the PruFund Range of funds. We may also decide to reset the smoothed price of a PruFund fund to the unsmoothed price on a particular day, to protect the With-Profit fund.
- The value of any investment can go down as well as up so your customer might get back less than they put in.

## These funds are available through:

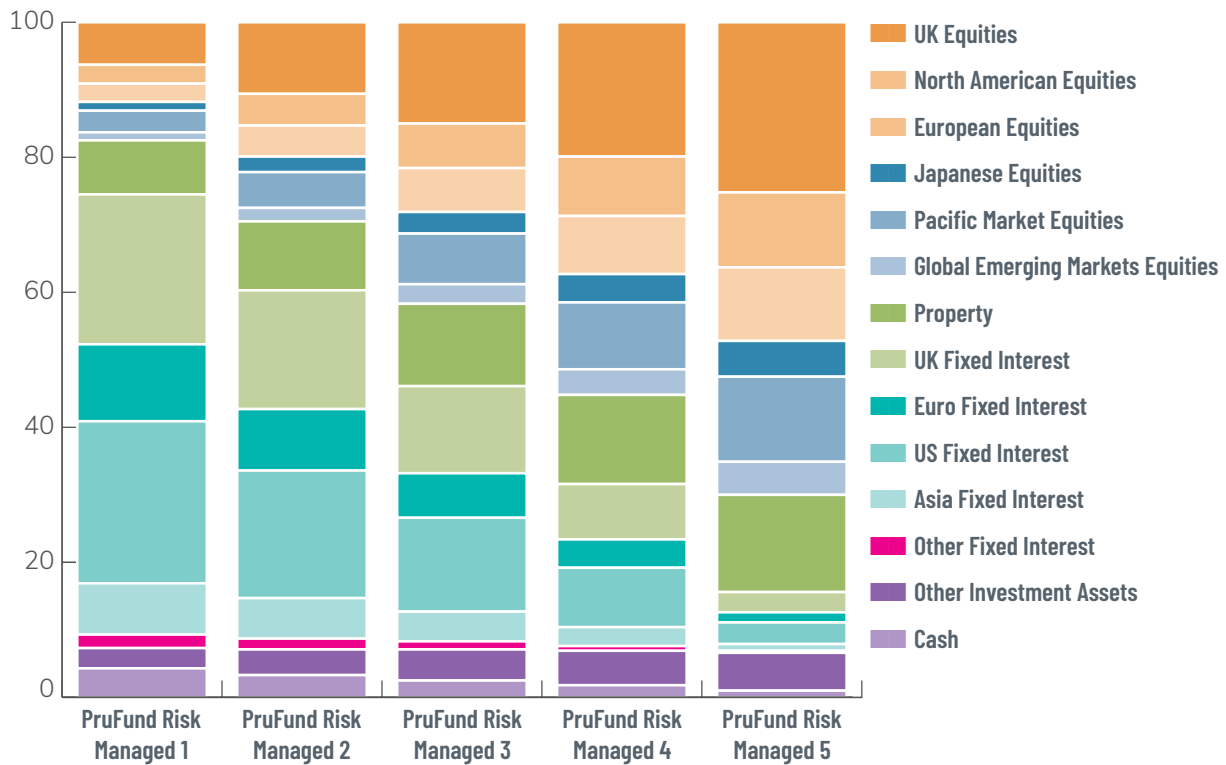
- UK Bond
  - Flexible Investment Plan
  - Prudential Investment Plan.
- Pensions
  - Flexible Retirement Plan (which can include a personal pension, drawdown and SIPP)
  - Trustee Investment Plan.
- Prudential ISA.
- Retirement Account.

**This is just for UK advisers – it's not for use with clients.**

## Where the funds invest

Here are the asset allocation positions of these funds at 30 November 2018. Asset allocations are regularly reviewed and may vary from time to time, but will always be consistent with the fund objective.

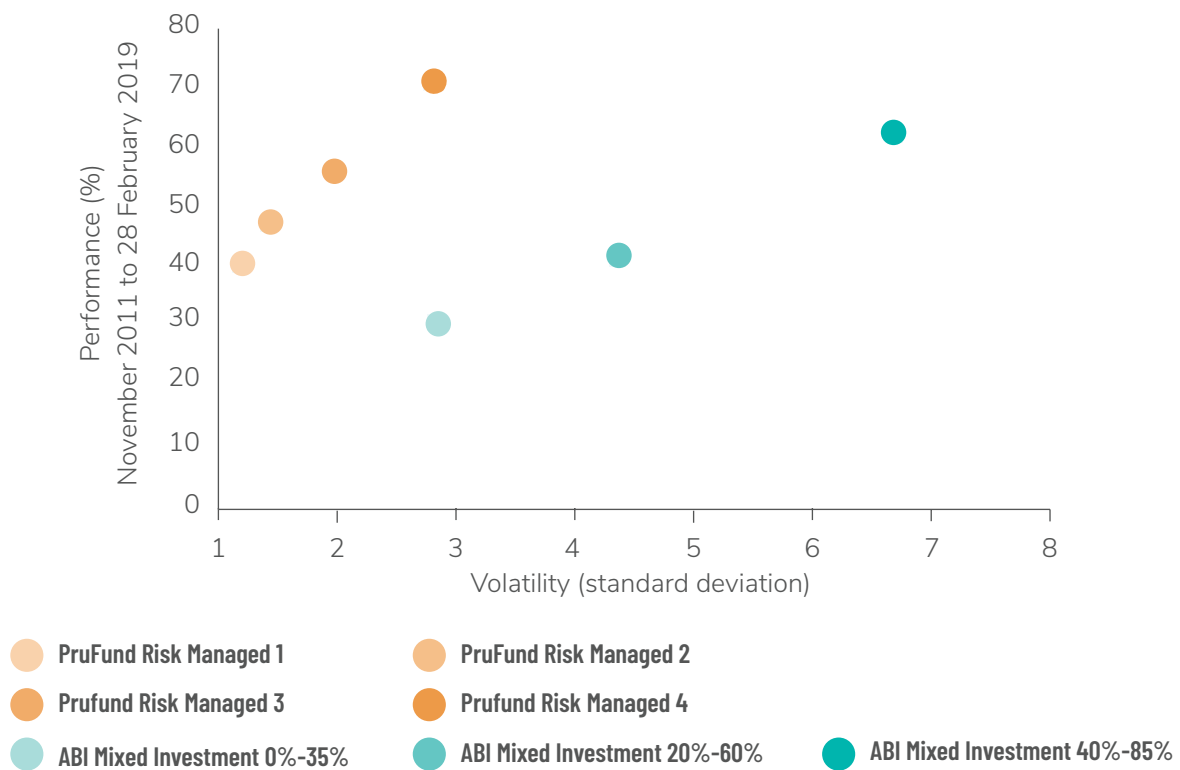
**PruFund Risk Managed 5 launched on 21 January 2019. The asset allocation below is to demonstrate how the fund compares to other Risk Managed PruFunds.**



	PruFund Risk Managed 1	PruFund Risk Managed 2	PruFund Risk Managed 3	PruFund Risk Managed 4	PruFund Risk Managed 5
UK Equities	6.3%	10.6%	15.0%	19.9%	25.2%
North American Equities	2.8%	4.7%	6.6%	8.8%	11.1%
European Equities	2.7%	4.6%	6.5%	8.6%	10.9%
Japanese Equities	1.3%	2.3%	3.2%	4.2%	5.3%
Pacific Market Equities	3.2%	5.3%	7.5%	9.9%	12.6%
Global Emerging Markets Equities	1.2%	2.0%	2.9%	3.8%	4.9%
Property	8.0%	10.2%	12.2%	13.2%	14.4%
UK Fixed Interest	22.2%	17.6%	12.9%	8.2%	3.0%
Euro Fixed Interest	11.4%	9.1%	6.6%	4.2%	1.5%
US Fixed Interest	24.0%	18.9%	13.9%	8.8%	3.2%
Asia Fixed Interest	7.6%	6.0%	4.4%	2.8%	1.0%
Other Fixed Interest	2.0%	1.6%	1.2%	0.7%	0.3%
Other Investment Assets	3.0%	3.8%	4.6%	5.1%	5.6%
Cash	4.3%	3.3%	2.5%	1.8%	1.0%

## Example of Risk Managed PruFund Fund Performance (Flexible Investment Plan, Prudential Investment Plan)

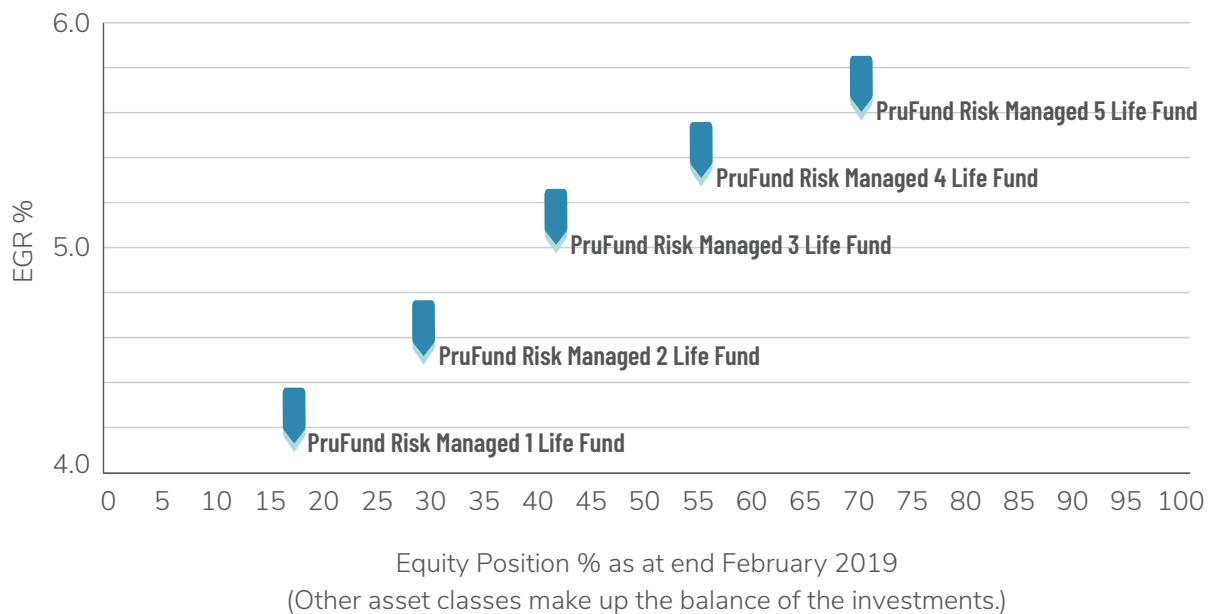
The volatility and return graph below shows how the Risk Managed PruFund funds have behaved since launch against sectors which contain funds with similar levels of equity assets. Our intention when managing the various funds is that they will demonstrate different investment risk characteristics over the long term (10+ years), with PruFund Risk Managed 1 having the lowest risk, and PruFund Risk Managed 5 having the highest risk (and the other funds being in-between). The chart shows that the funds have demonstrated characteristics consistent with this. **We can only show performance for the new PruFund Risk Managed 5 when the fund is 1 year old.** We can't predict the future. Past performance isn't a guide to future performance.



Source: FE, bid to bid, net income reinvested but net of fund tax, 25 November 2011 to 28 February 2019. The figures are intended only to demonstrate performance history of the fund over the period shown. The PruFund Funds include a representative fund charge of 0.65% pa and any further costs. They take no account of product or advice charges. The application of charges and further costs will impact the overall performance. Please also note that our charges and further costs may vary in the future and may be higher than they are now. Fund Performance is based upon the movement of the daily price and is shown as total return in GBP with net income reinvested. The value of your client's investment can go down as well as up and the amount your client gets back might get back less than they put in. Some, if not all, of the funds comprising the ABI sector averages are net of fund charges.

## Example of Expected Growth Rates (EGR) and equity positions (Flexible Investment Plan, Prudential Investment Plan)

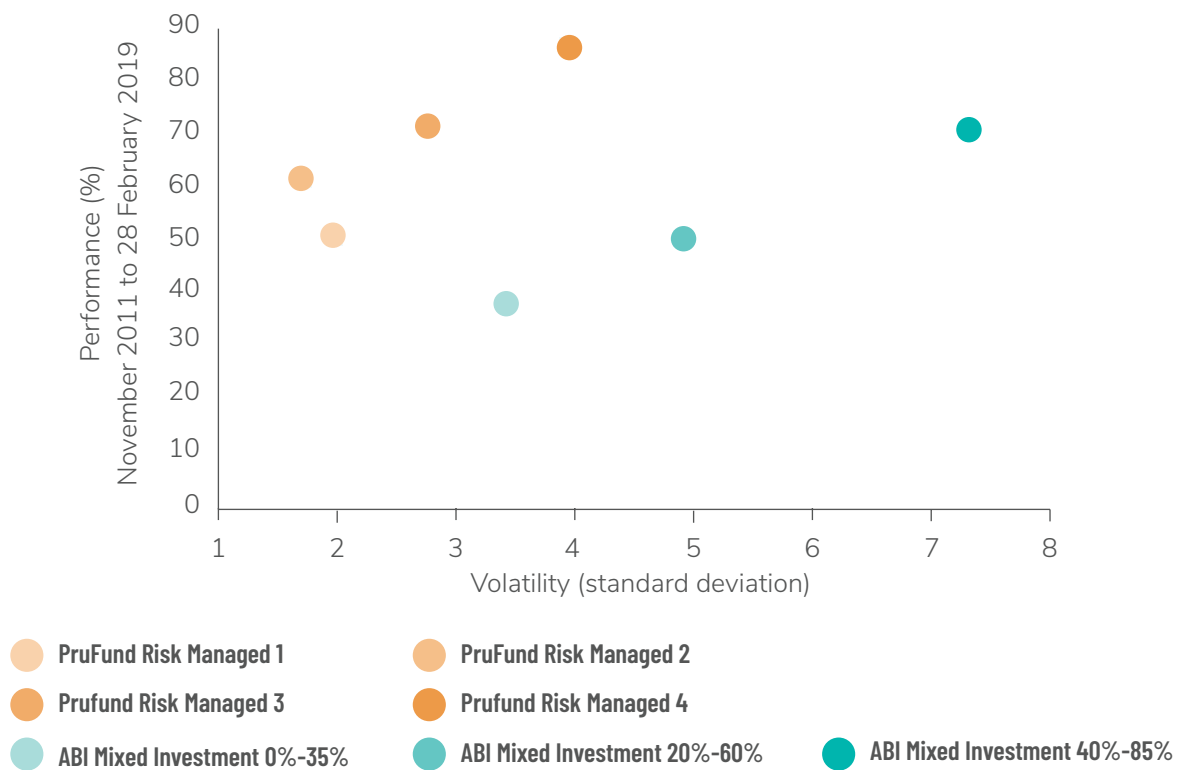
The graph below shows the Expected Growth Rates for each of the funds and their equity positions. The Expected Growth Rates quoted are gross of all product charges, including Annual Management Charges, and are applicable from 28 February 2019. The Expected Growth Rate is the annualised rate which will normally be applied daily to increase the unit price of the fund. They are set quarterly by the Prudential Assurance Company Ltd Directors, having regard to the expected long-term investment return on the assets of the fund. The Life and Pension funds have different Expected Growth Rates due to the differences in taxation for each type of fund.



Expected Growth Rates are only one part of the smoothing process and there are other factors that impact on what an investor will receive. There may be occasions where we have to suspend the smoothing process for one or more PruFund funds for a period of consecutive days, to protect our With-Profits fund. This can happen independently for each fund in the PruFund range of funds. We may also decide to reset the smoothed price of a PruFund fund to the unsmoothed price on a particular day, to protect the With-Profit fund.

## Example of Risk Managed PruFund Fund Performance (Flexible Retirement Plan, Trustee Investment Plan)

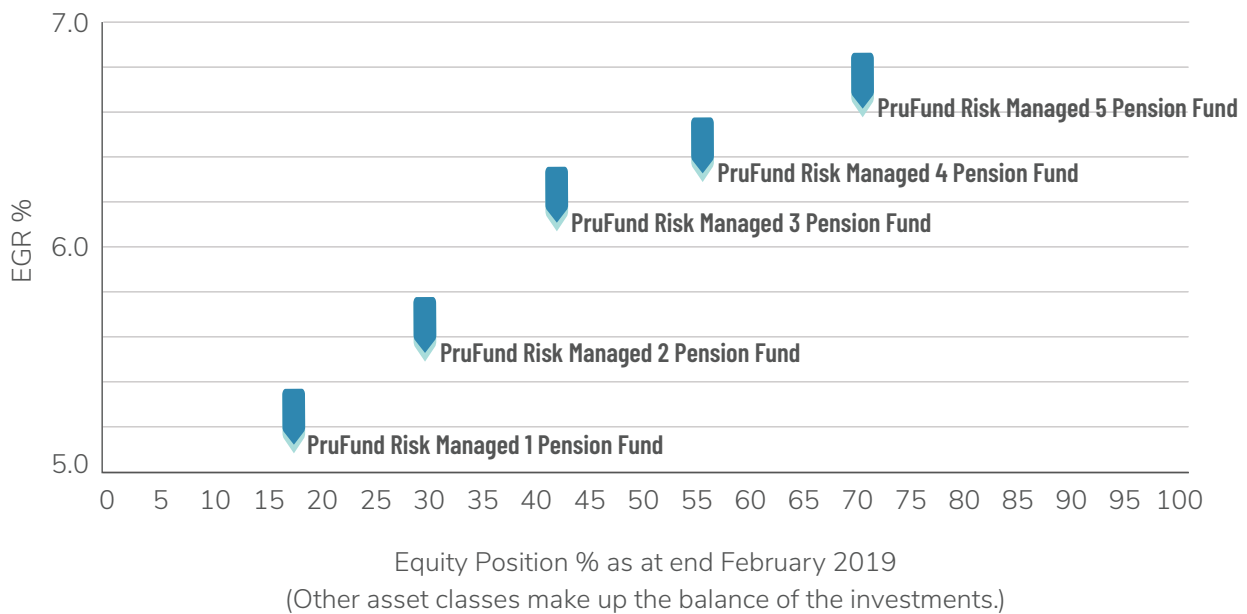
The volatility and return graph below shows how the Risk Managed PruFund funds have behaved since launch against sectors which contain funds with similar levels of equity assets. Our intention when managing the various funds is that they will demonstrate different investment risk characteristics over the long term (10+ years), with PruFund Risk Managed 1 having the lowest risk, and PruFund Risk Managed 5 having the highest risk (and the other funds being in-between). The chart shows that the funds have demonstrated characteristics consistent with this. **We can only show performance for the new PruFund Risk Managed 5 when the fund is 1 year old.** We can't predict the future. Past performance isn't a guide to future performance.



Source: FE, bid to bid, net income reinvested but net of fund tax, 25 November 2011 to 28 February 2019. The figures are intended only to demonstrate performance history of the fund over the period shown. The PruFund Funds include a representative fund charge of 0.65% pa and any further costs. They take no account of product or advice charges. The application of charges and further costs will impact the overall performance. Please also note that our charges and further costs may vary in the future and may be higher than they are now. Fund Performance is based upon the movement of the daily price and is shown as total return in GBP with net income reinvested. The value of your client's investment can go down as well as up and the amount your client gets back may be less than they put in. Some, if not all, of the funds comprising the ABI sector averages are net of fund charges.

## Example of Expected Growth Rates (EGR) and equity positions (Flexible Retirement Plan, Trustee Investment Plan, Prudential ISA, Retirement Account)

The graph below shows the Expected Growth Rates for each of the funds and their equity positions. The Expected Growth Rates quoted are gross of all product charges, including Annual Management Charges, and are applicable from 28 February 2019. ISA funds launched 26 February 2015 so EGRs are effective from that date. The Expected Growth Rate is the annualised rate which will normally be applied daily to increase the unit price of the fund. They are set quarterly by the Prudential Assurance Company Ltd Directors, having regard to the expected long-term investment return on the assets of the fund. The Life and Pension funds have different Expected Growth Rates due to the differences in taxation for each type of fund.



Expected Growth Rates are only one part of the smoothing process and there are other factors that impact on what an investor will receive. There may be occasions where we have to suspend the smoothing process for one or more PruFund funds for a period of consecutive days, to protect our With-Profits fund. This can happen independently for each fund in the PruFund range of funds. We may also decide to reset the smoothed price of a PruFund fund to the unsmoothed price on a particular day, to protect the With-Profit fund.

### Further information

For further information on these funds, and the latest EGR figures, please visit [pruadviser.co.uk/funds/prufund/](https://pruadviser.co.uk/funds/prufund/)

[pruadviser.co.uk](https://pruadviser.co.uk)

"Prudential" is a trading name of The Prudential Assurance Company Limited (PACL) which is registered in England and Wales. This name is also used by other companies within the Prudential Group. 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.