

Suitability report paragraphs for the Prudential ISA

We appreciate that you'll have carefully considered your client's personal and financial circumstances, financial needs, priorities and risk profile when giving your clients a personal recommendation.

The information below is designed to help you prepare your suitability report for your client. It's not intended to form the full content of the suitability report. It's your responsibility to ensure that the report includes your client's demands and needs, why you consider the product to be suitable, on the basis of the information your client has provided to you and makes clear any disadvantages that the product has.

Please note that if you use this information, or similar text for any reason, you're responsible for ensuring that it's compliant. Whilst every care has been taken to ensure the accuracy of the following information, Prudential can accept no liability if you decide to use it.

Please ensure that you're using the latest version of this document available at: pruadviser.co.uk/pdf/ISA-Key-Reasons.pdf

Product Information

<p>What is the Prudential ISA?</p>	<p>The Prudential ISA is a stocks and shares ISA, providing a tax-efficient way of investing. The aim of the ISA is to grow the value of your client's investment over the long term, by this Prudential mean up to 15 years.</p> <p>It's important for your client to decide whether this product is right for them. If they're investing in the Life Policy within the Prudential ISA to access PruFund investments, they should read the Prudential ISA Key Information Document and the relevant Investment Option Document(s). If they're investing in any of the WS Prudential OEICs they should read the relevant Key important information Document.</p> <p>These include important information that they will need to help make up their mind.</p> <p>The 2024/25 ISA subscription limit is £20,000. This can be split in any proportion between Cash and Stocks and Shares ISAs.</p> <p>The Prudential ISA provides access to:</p> <ul style="list-style-type: none">• Prudential's Multi-Asset PruFund fund range• A range of WS Prudential OEIC funds provided by Waystone Management (UK) Limited• Tax-efficient growth – no income or capital gains tax on gains from the investment, and no tax paid on withdrawals• Full, partial and regular withdrawals• Investment from as little as £50 each month.
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<p>What ISA governance/ administration are used?</p>	<p>The ISA plan manager for the Prudential ISA is Link Financial Investment Limited, which is responsible for all regulatory and legal aspects of the ISA and provides all customer servicing. Link has two specific roles:</p> <ul style="list-style-type: none"> • To ensure the ISA and underlying investments remain compliant with legislation/regulation. • To process applications and ongoing administration requests correctly, compliantly and within approved timescales.
<p>Eligibility</p>	<p>Investment into the Prudential ISA is available for clients that:</p> <ul style="list-style-type: none"> • Are aged 18 or over • Meet the HM Revenue and Customs UK residency rules or are a crown servant (e.g. Diplomatic/overseas civil service) or spouse/civil partner if they do not live in the UK. • Will provide their email address and register for online access so that they can be notified when a document is ready for them to view in their online document store.
<p>Risks associated with the Prudential ISA</p>	<p>Investing money can be rewarding, but it's not without risk. We've highlighted some of the key risks your clients should consider before investing in this product:</p> <ul style="list-style-type: none"> • The value of any investment and any income taken from it can go down as well as up so your client might get back less than they put in. • The funds invest in stocks, shares • Different funds have different levels of risk and the Key Information Documents and Investment Options Documents give more information on these for each PruFund Fund. • For the range of WS Prudential OEICs, more information is available in the Key important information Documents. • If the total charges taken from your clients plan are more than any overall growth achieved, their plan will fall in value. • For any fund, Prudential may delay the buying, selling or switching of any investment. You will be told if this applies to your client's chosen fund. • In the event that the PruFund Funds might be closed to new investment, wound-up or that Link Financial Investment might cease to act as the ISA plan manager, your client may be forced to accept a cash withdrawal equal to the value of their investment in the PruFund Funds.
<p>Where can my client invest their money?</p>	<p>Your client has the following choices available with the Prudential ISA:</p> <ul style="list-style-type: none"> • Prudential's PruFund range of funds which invest in Prudential's With-Profits Fund. • WS Prudential OEIC Funds – Risk Managed Active/Passive Funds.

<p>PruFund Range of Funds</p>	<p>PruFund funds aim to grow your client's money while giving them a smoothed investment experience.</p> <p>The PruFund range of funds all invest in Prudential's With – Profits Fund, which is one of the largest with-profits funds in the UK. However, there are differences across the range of PruFund funds in their objectives and mix of assets, and how PruFund delivers returns to investors when compared to other With-Profits business.</p> <p>This means the returns received by investors will vary by fund choice. As a with-profits investment, PruFund funds are designed to spread risk by investing in a range of different asset types.</p> <p>The PruFund funds have an established smoothing process which aims to provide your client with some protection from the extreme short term ups and downs of the markets.</p>
<p>Expected Growth Rates (EGRs)</p>	<p>Prudential sets EGRs; these are the annualised rates the investment would normally grow at. The EGRs reflect Prudential's view of how they think each PruFund fund will perform over the long term (up to 15 years). Each PruFund fund has its own EGR and investments into a PruFund will normally grow daily by the relevant EGR. EGRs are reviewed every 3 months where they could rise or fall.</p>
<p>Unit Price Adjustments (UPAs)</p>	<p>Although Prudential use a long term view of performance to set EGRs, Prudential also have to take into account shorter term performance. On a daily basis, if the shorter term performance differs too much from Prudential's current Expected Growth Rate, they would have to amend the value of your clients fund up or down to ensure Prudential are not returning too much or too little. These are known as Unit Price Adjustments.</p> <p>We may decide to reset the unit price of a PruFund fund to the unsmoothed price on a particular day, to protect the With – Profits Fund. There may also be occasions where we have to suspend the smoothing process for one or more of the PruFund funds for a period of consecutive days, to protect the With-Profits Fund.</p>
<p>PruFund range of funds</p>	<p>There is a range of PruFund funds designed to suit different attitudes to risk and reward. They're designed for those wishing to invest for 5 to 10 years or more.</p> <p>There are seven PruFund funds available in the Prudential ISA, each with a different level of risk exposure:</p> <ul style="list-style-type: none"> ● PruFund Cautious ● PruFund Growth ● 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 <p>For the range of PruFund funds, what a client will receive will depend on the value of the underlying investments, the Expected Growth Rates as set by the Prudential Directors, the charges, the smoothing process, and when money is taken out.</p>

<p>More information on the PruFund Range of funds</p>	<p>For more information about the PruFund range of funds see “Your With-Profits Plan – a guide to how we manage the Fund PruFund range of funds”, reference WPGB0031.</p> <p>Alternatively, you can refer to the guide – “PruFund – An introduction to the PruFund range of funds”, reference PFBS10000.</p> <p>For more information on the PruFund smoothing process, take a look at the “step by step guide to PruFund Smoothing Process”, reference GENM92301.</p>
<p>Switching between PruFund's</p>	<p>Your client can switch their money between PruFunds subject to the switching rules detailed below. There is currently no charge for switching, although Prudential reserve the right to apply a charge in the future.</p> <p>The minimum amount your client can switch is £500.</p> <p>If not switching the full value of their investment, £500 must remain invested in each fund.</p> <p>All switches out of any PruFund Fund will be made 28 days after the ISA plan manager receives the request and uses the unit prices on the 28th day.</p> <p>Only one switch can be made each quarter, where the quarter dates are 25 February, 25 May, 25 August and 25 November, or the next working day if the quarter date is a weekend or public holiday.</p>

OEIC Funds

A range of Open Ended Investment Company (OEIC) funds are also available as a fund choice within the Prudential ISA.

The WS Prudential OEIC funds available on Prudential ISA are multi-asset funds which have full exposure to the ups and downs of the market, but each individual fund is managed to take different levels of risk.

Prudential OEIC Fund Name	Description
WS Prudential Risk Managed Active 1 Fund	Our Risk Managed Active range is managed to meet an expected long-term volatility target to help target different attitudes to risk. The range gives you access to M&G Treasury & Investment Office (T&IO), includes the team formerly known as Prudential Portfolio Management Group (PPMG) for active asset allocation, with a focused selection of underlying funds that use expert active fund management approaches. Your clients can choose between five active risk – managed portfolios which can be matched to their attitude to risk. We will manage their money to achieve the best return we can for the level of risk they are willing to take.
WS Prudential Risk Managed Active 2 Fund	
WS Prudential Risk Managed Active 3 Fund	
WS Prudential Risk Managed Active 4 Fund	
WS Prudential Risk Managed Active 5 Fund	
WS Prudential Risk Managed Passive 1 Fund	Our Risk Managed Passive range is managed to meet an expected long-term volatility target to help target different attitudes to risk. The range gives you access to T&IO for active asset allocation, with a focused selection of underlying funds that use predominantly (at least 70%) passive fund management approaches. Your clients can choose between five risk – managed portfolios which can be matched to their attitude to risk. We will manage their money to achieve the best return we can for the level of risk they are willing to take.
WS Prudential Risk Managed Passive 2 Fund	
WS Prudential Risk Managed Passive 3 Fund	
WS Prudential Risk Managed Passive 4 Fund	
WS Prudential Risk Managed Passive 5 Fund	

<p>OEIC Funds (continued)</p>	<p>The OEIC funds are operated by Waystone Management (UK) Limited who is legally responsible for the funds, including all servicing and administration of the funds.</p> <p>There is no maximum investment limit into the OEIC Funds.</p> <p>For more information of the OEIC fund objectives and charges, please refer to the Key Important Information Documents.</p>
<p>Minimum Investment Limits</p>	<p>For single payment the minimum initial investment amount in a new fund is £500.</p> <p>For subsequent payments the minimum additional investment amount to an existing fund is £250</p> <p>For regular payments the minimum amount is £50 per fund each month. Subject to annual ISA allowances.</p>
<p>Can my client transfer their existing ISA investments?</p>	<p>Your client can transfer their current ISA in full to the Prudential ISA. Partial transfers can only be accepted from previous tax year's subscriptions. Any current tax year subscriptions being transferred can only be accepted if paid in full.</p> <p>There is currently no charge for transferring your clients ISA to the Prudential ISA however, their existing ISA Manager may charge them for any transfer. They may also lose out on any growth in value during the period where the transfer is taking place.</p> <p>Transferring from a cash ISA to a stocks and shares ISA means moving from a deposit based account, to a product where capital is at risk and means your client could get back less than they pay in.</p>
<p>How can my client access their investment benefits in the Life Insurance Policy?</p>	<p>Your client can take full, partial or regular withdrawals from their ISA.</p>
<p>Regular withdrawals</p>	<p>Regular withdrawals can be taken on either the 5th or 20th of the month (or next working day, if either of those days fall on a weekend/bank holiday). Payment is then received four working days after the date of each withdrawal.</p> <ul style="list-style-type: none"> • A minimum of £50 must be taken on each occasion from each Fund. • Your client must leave at least £500 in that fund, if they're not withdrawing the full value of the investment. • The total value of the regular withdrawals to be taken in any 12 month period must not exceed 100% of the value of your Prudential ISA. This calculation is performed when the withdrawal is established, on its re-commencement following any suspension, or should the amount be increased.
<p>Full or partial withdrawals</p>	<p>Full or partial withdrawals may be delayed for up to 14 days, once the ISA plan manager received your client's request. They will use the unit prices on the 14th day.</p> <ul style="list-style-type: none"> • A minimum of £250 must be taken out on each occasion from each fund. • You client must leave at least £500 in that fund, if they're not withdrawing the full value of the investment. <p>Please note, any money taken from your clients ISA will reduce the value of the investment.</p>

Fund Charges	<p>An Annual Management Charge – this is the charge we take for looking after your investment – is taken for each PruFund Fund by deducting a percentage of units of the relevant PruFund Fund each month. This is the charge your client pays to invest in a fund.</p> <p>For details of the PruFund Funds charges please refer to the Key Information Document and associated Investment Option Document.</p> <p>For details of the WS Prudential OEIC fund's charges, please refer to the Key Important Information Document.</p> <p>To see example illustrations of investing in the Prudential ISA, please refer to the Example Illustrations for Investment Prudential ISA and WS Prudential OEIC Funds document. Charges may vary in the future and may be higher or lower than they are now.</p>							
Initial Set-up Adviser Charges	<p>Initial Set-up Adviser Charges (if selected) are deducted from the initial investment before it is invested in the ISA. The initial investment less any Initial Set-up Adviser Charges will then be the amount used to purchase units.</p> <p>The Set-up Adviser Charge can either be a percentage or a monetary amount.</p>							
Ongoing Adviser charges	<p>Ongoing adviser payments will apply across all relevant investments and apply to both the PruFund and WS Prudential OEIC Funds. The same rate will apply across the whole of the ISA account.</p> <p>The Ongoing Adviser Charge can either be a percentage or a monetary amount.</p>							
Ad hoc Adviser Charge	<p>Not available</p>							
Limits for Adviser Charging	<table border="1"> <tr> <td data-bbox="584 1178 1034 1303"> Single Investment Initial Set-up Adviser Charge </td> <td data-bbox="1040 1178 1490 1303"> Lesser of 5% of the total single and transfer payment(s) included in the application and £20,000 </td> </tr> <tr> <td data-bbox="584 1312 1034 1491"> Regular investment Initial Set-up Adviser Charge </td> <td data-bbox="1040 1312 1490 1491"> 5% of the regular contribution or 25% of the first 12 months contributions </td> </tr> <tr> <td data-bbox="584 1500 1034 1585"> Ongoing Adviser Charge </td> <td data-bbox="1040 1500 1490 1585"> 1% each year of the total holding within the ISA across all funds. </td> </tr> </table>		Single Investment Initial Set-up Adviser Charge	Lesser of 5% of the total single and transfer payment(s) included in the application and £20,000	Regular investment Initial Set-up Adviser Charge	5% of the regular contribution or 25% of the first 12 months contributions	Ongoing Adviser Charge	1% each year of the total holding within the ISA across all funds.
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The above is based on Prudential's understanding, of current taxation, legislation and revenue practice, all of which are liable to change without notice. The impact and any tax reliefs depends on individual circumstances.

Full Terms and Conditions of the Prudential ISA are available on request.

