

Suitability report paragraphs for the PruFund Planet range of funds

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.

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<https://www.pruadviser.co.uk/content/dam/prudential/assets/pdf/PRUF100086102.pdf>

<u>Fund Information</u>	
<p>What are the PruFund Planet range of funds?</p>	<p>PruFund Planet is a range of five funds, each with their own risk profile, that seek to deliver positive environmental and societal outcomes.</p> <p>May be suitable for individuals who want to know their savings are creating positive outcomes for the environment & society, but also want a smoothed investment experience.</p> <p>So when you invest in the PruFund Planet range of funds, some of your money is also invested in companies, governments or other entities that set out to achieve specific and measurable differences to environmental or societal issues.</p> <p>The PruFund Planet Funds are a part of the Prudential With-Profits Fund which is currently worth approximately £117.9bn (as at 31 December 2020).</p> <p>PruFund Planet funds are multi asset funds which means you have access to a wide range of assets, across different asset types and countries. This allows you to spread the risk of your investment. The diversification of the PruFund Planet funds aims to balance the performance of the various different assets – your eggs aren't all in one basket. In essence this diversification aims to offset poor performance in one asset type by good performance in another.</p> <p>PruFund Planet funds are invested in a range of equities, bonds, property, alternative investments and cash. This gives you the advantage of a well-balanced mix of investments with some smoothing of investment returns.</p>
<p>What are the funds objectives?</p>	<p>The funds aim to achieve a total return from income and capital over the medium to long term (at least 5-10 years). As well as the potential for returns, they also cover three important areas when considering investment options – Environmental, Social and Governance, we have three categories of outcome;</p>

	<ol style="list-style-type: none"> 1. Mitigating Environmental, Social and Governance risks and minimising negative outcomes 2. Pursuing Environmental, Social and Governance opportunities 3. Investing in positive outcomes for disadvantaged groups or stakeholders. <p>The funds aim to limit the fluctuations (volatility) your investment experiences, after allowing for smoothing, between 9% to 17% per annum, depending on the fund. There is no guarantee the fund will achieve its objective of managing the volatility to the target level.</p> <ul style="list-style-type: none"> - PruFund Planet 1 - 9% - PruFund Planet 2 - 10% - PruFund Planet 3 - 12% - PruFund Planet 4 – 14.5% - PruFund Planet 5 - 17%
<p>What types of investments are Excluded/Included?</p>	<p>Prudential’s investment experts, the M&G Treasury and Investment Office (T&IO) look to enforce a minimum standard of exclusions across the PruFund Planet range of funds. This could be excluding things like controversial weapons, or unethical business practices, for example.</p> <p>The PruFund Planet Funds additionally look to exclude investment in United Nations Global Compact violators (UNGC – which focuses on anti-corruption, human rights and labour standards).</p> <p>As well as the potential for returns, the PruFund Planet range of funds look at three important areas when considering investment options. These are:</p> <p>Environmental factors, this includes things such as levels of carbon emissions produced, waste levels and pollution management.</p> <p>Societal factors, that help society for example fair working conditions, working with local communities and quality and diversity.</p> <p>Governance factors, Companies with robust controls (governance) for example, ensuring transparency in supply chains and shareholder voting.</p> <p>These factors are known as ESG (Environmental, Society and Governance).</p>
<p>For existing PruFund clients</p>	<p>PruFund Planet funds are differentiated from the existing PruFunds, which are mainly focused on responsible investing with the avoidance of harms via exclusions and mitigating Environmental, Social and Governance (ESG) risks.</p> <p>PruFund Planet funds go further by not only integrating responsible investing, but also investing in ESG opportunities and seeking to address societal and environmental challenges,</p>

	<p>often for under-served or disadvantaged groups, that aim to generate competitive financial returns.</p> <p>PruFund Planet is aiming to generate differentiated investment outcomes to the existing PruFunds. Whilst it features a very similar asset allocation the broad asset class level, it will predominantly invest in underlying funds that are not present in the existing PruFund ranges.</p> <p>Whilst similarities exist, there is no guarantee that Expected Growth Rates (EGRs) will be the same as our existing PruFunds funds nor will the frequency, depth or timing of any Unit Price Adjustments (UPAs) be the same either.</p>
<p>Expected Growth Rated (EGRs)</p>	<p>Prudential set EGRs. These are the annualised rates the investment would be expected to grow at. The EGRs reflect Prudential's view of how they think each PruFund Planet fund will perform over the long term (up to 15 years). Each PruFund Planet fund has its own EGR and investments into a fund will normally grow daily by the relevant EGR. EGRs aren't guaranteed, they 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.</p> <p>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 fund up or down to ensure Prudential are not returning too much or too little. These are known as Unit Price Adjustments.</p> <p>Prudential may decide to reset the unit price of a PruFund Planet fund to the unsmoothed price on a particular day, to protect the With-Profits Fund. This may be decrease or increase the value of the fund - There may also be occasions where they have to suspend the smoothing process for one or more of the funds for a period of consecutive days, to protect the With-Profits Fund.</p>
<p>Unit Price Resets (UPRs)</p>	<p>Prudential may decide to reset the unit price of a PruFund Planet fund to the unsmoothed price on a particular day. A unit price reset means that the smoothed price of the affected PruFund would be adjusted to be the same value as the relevant unsmoothed price on that working day. Your fund value could go up or down depending on the adjustment. That adjusted smoothed price would then continue to grow in line with the relevant Expected Growth Rate from the next working day.</p> <p>There may be occasions where Prudential have to suspend the smoothing process for one or more PruFund Planet funds for a period of consecutive days, to protect our With-Profits Fund. When this happens the smoothed price for the affected fund(s) is set to the unsmoothed price for each day until Prudential reinstate the smoothing process. Your fund value could go up or down depending on the adjustment.</p>

Fund Charges /Product Charges	For a list of the fund and product charges please refer to the relevant key features document.
How are the funds accessible from Prudential?	The funds are accessible through investment in the Prudential Retirement Account and International Portfolio Bond.
How can my clients access their benefits?	<p>There are three ways you can use your Retirement Account to take benefits. Generally from age 55 you can use some or all of your savings to:</p> <p>Take cash lump sums (known as Uncrystallised Funds Pension Lump Sums of UFPLS) on a regular or one-off basis from their Pension Savings Account.</p> <p>Take drawdown payments, where your money stays invested and you take as much or as little income as you need from your Pension Income Account. If you're in capped drawdown, there's a maximum amount you can take that is set by the government.</p> <p>Purchase an annuity with some or all of the value of your Retirement Account.</p> <p>You can also take a combination of the above. Each time you take a cash lump sum, move money into drawdown, or buy an annuity from an insurance company, you can usually take out 25% of the money tax-free, this is often known as a Pension commencement lump sum (PCLS).</p> <p>The above is based on Prudential's understanding, as at July 2021 of current taxation, legislation and HMRC practice, all of which are liable to change without notice. The impact of taxation and any tax reliefs depends on individual circumstances.</p>
The risks associated with investing	<p>Investing money can be rewarding, but it's not without risk. I've highlighted some of the key risks you should consider before investing in this fund range:</p> <p>The value of any investment and any income taken from it can go down as well as up, you may get back less than you have put in.</p> <p>Inflation will affect the buying power of the money you get back.</p> <p>Withdrawals from the fund can exhaust the investment. Therefore it's important to try to ensure that invested money needs to last for as long as is intended.</p> <p>Costs and charges will reduce the value of the investment and they may increase in the future.</p> <p>By investing in the PruFund Planet fund range the funds look to manage ESG risk, pursue ESG opportunities and create solutions that contribute to pressing societal and environmental issues. Prudential aim for no trade off in potential returns by investing in this manner.</p>
Switching between PruFund Planet funds	<p>You can switch your money between PruFund Planet funds whenever you like as your objectives change. There is currently no charge for switching, although Prudential reserve the right to apply a charge in the future. The minimum amount you can switch is £500. If not switching the full value of your investment, £500 must remain invested in each fund. Switches from a PruFund Planet Fund are subject to the following rules:</p> <p>All switches out of any PruFund Planet Fund will be made 28 days after the 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>
Holding Account	<p>When you invest in one of the PruFund Planet range of funds, your money will be put into a 'holding account' for a maximum of a month, where it will stay until the next PruFund Planet funds Investment Date. The PruFund Planet funds investment date on the Prudential Retirement Account/ International Portfolio Bond is monthly, on the 25th of each month.</p> <p>While your money is in a holding account, it increases daily in line with the Expected Growth Rate applicable to that account. During this time, Prudential apply product charges but the investment will not be subject to any smoothing adjustments, such as UPAs, Unit Price Resets or suspension of smoothing. There is an associated holding account for each PruFund Planet fund.</p> <p>At the next PruFund investment date, your money will be transferred from that holding account, to your chosen PruFund Planet fund. Your money from your holding account buys units in your chosen fund at the price that applies on that day.</p>
About Prudential and M&G	
Financial Strength	<p>Prudential is one of the companies in the UK savings market with an established track record and well respected brand. Prudential is a Financially strong company, demonstrated by the A+ (stable) rating from Standard & Poor's, an independent rating company for financial strength. (Source: Standard & Poor's as at April 2021).</p>
Company Size	<p>M&G plc is an international financial services group with significant operations in Asia, the US and the UK. Serving customers across 28 countries with £367 billion of asset under management. (As at April 2021). Source: https://www.mandgplc.com/investors</p>
How we manage money	<p>The PruFund Planet funds are managed by M&G's multi-asset team Treasury & Investment Office (T&IO) – a large and well-resourced multi-asset team, responsible for the performance and direction of a number of funds including the management of the underlying assets for the UK's largest With-Profits Fund.</p> <p>T&IO manages over £177 billion across a growing range of highly competitive multi-asset investment solutions and annuities on behalf of Prudential UK and Europe.</p> <p>T&IO has great strength in depth with access to a team that includes investment professionals with expertise in capital market research, investment strategy design, liability management, derivatives and portfolio management.</p>

More information on PruFund Planet (Video)

What is PruFund Planet – This short video takes a closer look at what PruFund Planet is, where it invests, and how the range aims to have a positive effect on pressing social and environmental issues.

URL: <https://prudential.kuluvalley.com/view/ek8g0AlOxHGDoYWSeKvyQ3>

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.

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