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M&G Wealth announces first PruFunds on Platform

M&G Wealth has announced that its PruFund Planet range of ‘smoothed’ multi-asset funds is to be available as an investment choice on its own Platform. It is the first time that PruFund has been offered as a choice on any investment platform in the UK.

The five PruFund Planet funds, each with their own risk profile, seek to pursue opportunities and invest in high-impact solutions to the world’s environmental, social and governance (ESG) challenges.

The advised-only funds aim to achieve a total return from income and capital over the medium to long-term (at least five years), providing investors with attractive returns while creating positive outcomes.

As with all other PruFunds, investors receive smoothed returns, reducing the impact of short-term volatility. The PruFund range has £58 billion invested in it by over 450,000 customers.

The M&G Wealth Platform, formerly Ascentric, has £17.5 billion assets under administration, supporting 2,000 advice firms and in excess of 100,000 private investors. The addition of PruFund Planet is part of a significant ongoing programme of enhancements to the Platform that will continue into 2023.

The funds will be available on the ISA and SIPP wrappers on the Platform. It’s the first time that the PruFund Planet range has been an investment option for an ISA.

Shanti Kelemen, Chief Investment Officer at M&G Wealth, said: “Our research shows that most retail customers want to invest responsibly, but not at the expense of sacrificing returns.

PruFund Planet is the only ESG and smoothed investment range available on any platform in the UK. It offers easily accessible and planet-friendly wealth solutions with the prospect of competitive medium to long-term returns. In volatile markets the smoothing mechanism we apply in all our PruFunds becomes more desirable and valuable.

“Investing sustainably and offering compelling investment solutions is at the core of our strategy and we are delighted to deliver this unique investment option to advisers and their clients.”

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Notes to editors

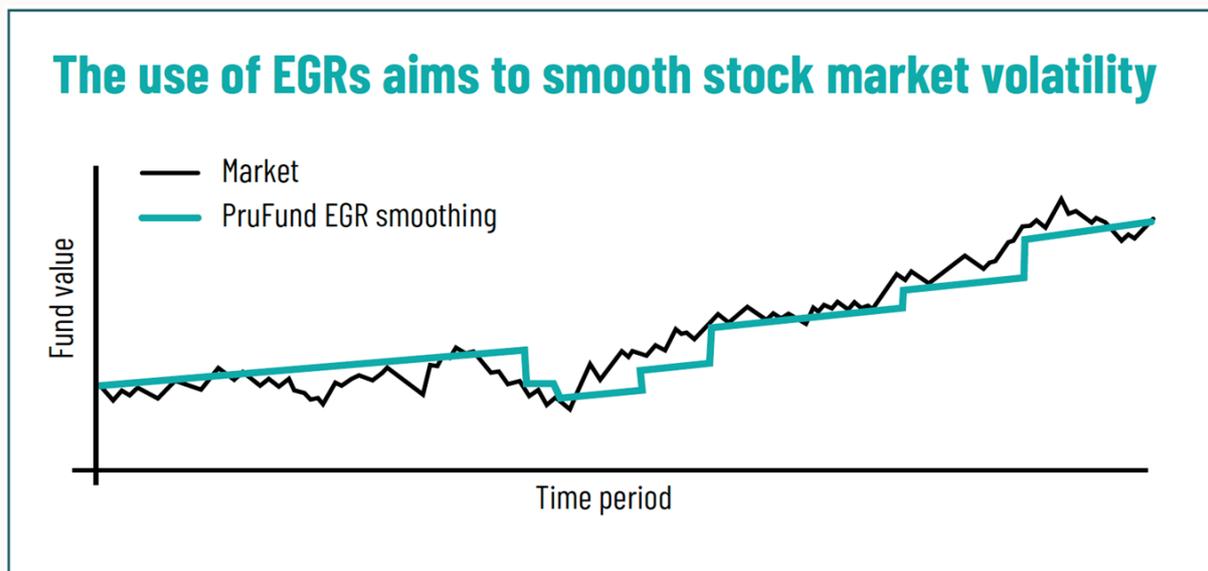
What is PruFund?

An advised-only multi-asset fund, PruFund aims to grow client’s money over the medium to long term (over 5 to 10 years) while protecting them from some of the short-term market volatility of direct investment. As well as giving customers peace of mind it can also give them a more reliable income stream, particularly during retirement. PruFund funds are invested in the Prudential With-Profits fund, the size of which offers diversification over a wide range of asset class and location.

How it works

Expected Growth Rates

PruFund employs a smoothing process. It is specifically designed to smooth extreme short term stock market volatility by setting Expected Growth Rates (EGRs) for each PruFund fund. Reviewed quarterly, EGRs reflect our view on how we think the funds will perform over the long term and gives advisers a guideline they can use for planning and cashflow modelling. The EGRs help smooth investment returns, with unit price adjustments made as detailed below.



Expected Growth Rate

In the event of actual performance diverging significantly from the EGRs, Unit Price Adjustments (UPAs) are employed to amend returns up or down accordingly. While this means the fund does not experience the full highs of the markets, it also means it avoids the extreme lows.

About M&G Wealth

M&G Wealth is part of M&G plc. It has 4 main parts, M&G Wealth Advice, M&G Wealth Platform, M&G Wealth Investments and a retail investment funds business, M&G Direct.

M&G Wealth launched a HYBRID advice business - 'MAP your future' - in late 2021, initially to a part of its existing customer base, where clients, often with modest wealth and a simpler set of financial needs, are able to get access to the advice that they currently find difficult to obtain – either because of the costs involved or the commercials commonly associated with an advice business (making it impractical to offer services to lower sums invested).

At the start of 2022 M&G plc also completed the acquisition of Sandringham Partners – an independent financial advice arm of M&G Wealth.

In January 2022 M&G plc announced a partnership agreement with Moneyfarm, a leading digital investment specialist, to provide direct investment services to UK consumers. M&G Wealth will use Moneyfarm's existing technology, digital capabilities, and investment guidance journeys to back its own branded proposition.

In February 2022 M&G plc acquired TCF Investments to provide model portfolio services (MPS) and in April 2022 added a new range of six model portfolios focused on investing globally and incorporating ESG factors in its investment process.