



Pensions for a world of change

Prudential Dynamic Growth Lifestyles

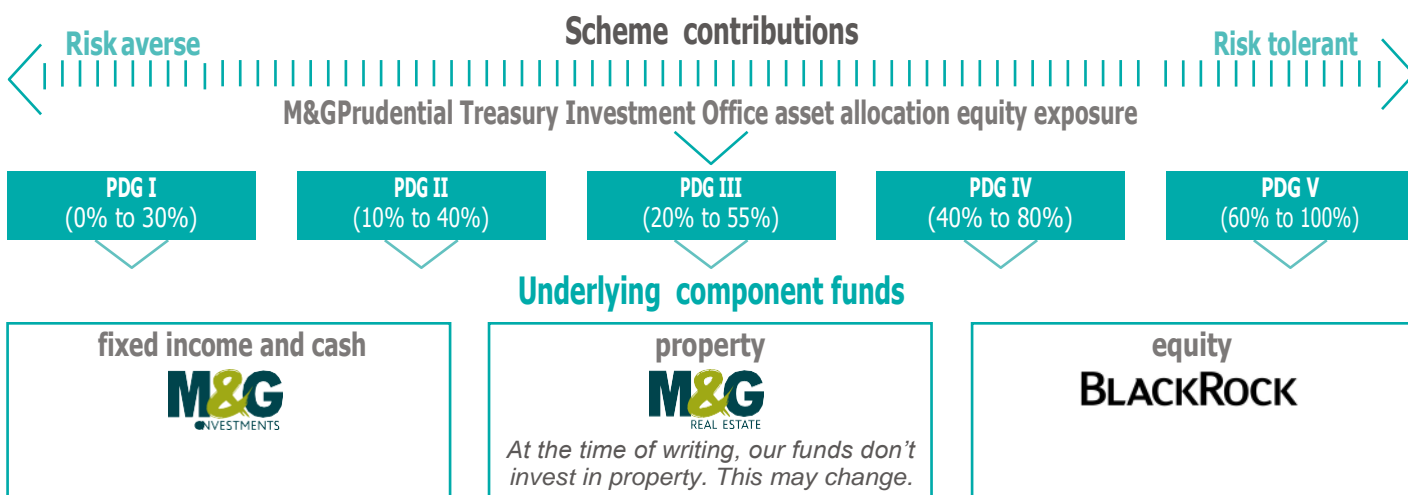
In this leaflet we tell you about our four Prudential Dynamic Growth Lifestyles.

- What each of the four options is designed to do
- The funds in each lifestyle option and when members move between each fund as they get close to retirement age
- The funds' investment objectives and risk ratings

- Our lifestyle options invest in a range of multi-asset funds called Prudential Dynamic Growth Funds – or PDGs for short
- They are a collection of five multi-asset funds:
 - Prudential Dynamic Growth I
 - Prudential Dynamic Growth II
 - Prudential Dynamic Growth III
 - Prudential Dynamic Growth IV
 - Prudential Dynamic Growth V
- Each fund has its own mix of asset classes, such as equities, property, fixed income and cash. PDG I has the lowest allocation to equities. PDG V has the highest allocation to equities
- Contributions are invested across a number of different assets to help protect investments from feeling the full effects of a fall in value of one type of asset
- These multi-asset funds are managed by our in-house investment experts, M&GPrudential Treasury Investment Office*
- M&GPrudential Treasury Investment Office constantly monitors different markets and economies, actively managing the funds with the aim of maximising returns
- The funds can invest in equities, fixed income, cash and property. They currently use underlying component funds managed by BlackRock and M&G. The list of funds is not definitive. Other funds and asset classes can be added, and we may not always invest with some of the fund managers or in some of the funds. M&GPrudential Treasury Investment Office can change the allocation in each of the PDG funds to protect the value of customers' pension pots

The graphic below shows how it all links up together.

* This team was formally known as Prudential Portfolio Management Group Limited (PPMG).



The value of pension savings can go down as well as up. Investors may get back less than has been put in.

A glimpse at Prudential Dynamic Growth Lifestyles

A lifestyle is a way of investing. At the start, money is invested for long-term growth with the aim of increasing the value of members' pension savings. Our lifestyle options use a mix of four component funds. The funds members invest in depends on which lifestyle option they select.

And as members get close to retirement age, how much they invest in each fund is adjusted to help align the funds' investment risk with how they propose to use their savings.

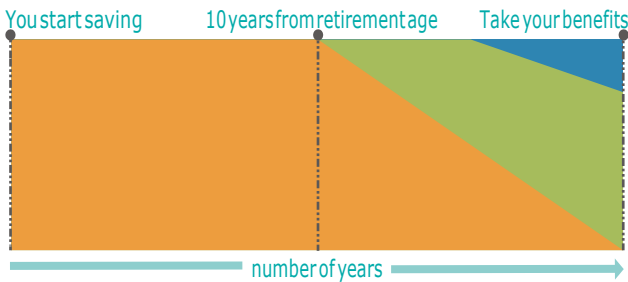
We've four Prudential Dynamic Growth Lifestyle options. Each is designed to reflect what members are likely to do with their savings. There are three for members who know how they're going to use their pension savings, and one is for members who have yet to decide.

1	Prudential Dynamic Growth IV Lifestyle targeting retirement options	This lifestyle option is designed for customers who aren't yet sure how they're going to use their pension savings.
2	Prudential Dynamic Growth IV Lifestyle targeting an annuity	These lifestyle options are designed for customers who know how they're going to use their pension savings.
3	Prudential Dynamic Growth IV Lifestyle targeting 100% cash	
4	Prudential Dynamic Growth IV Lifestyle targeting drawdown	

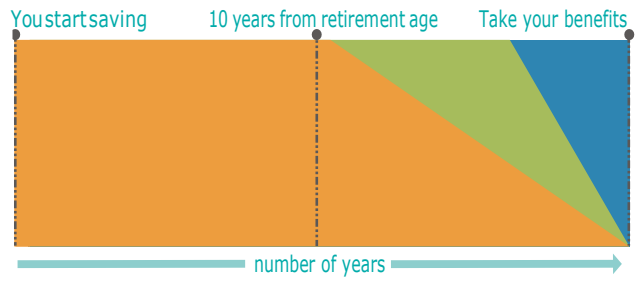
A picture of how a lifestyle option works

The charts below show the funds in each lifestyle option and when members move between them as they get close to their retirement age.

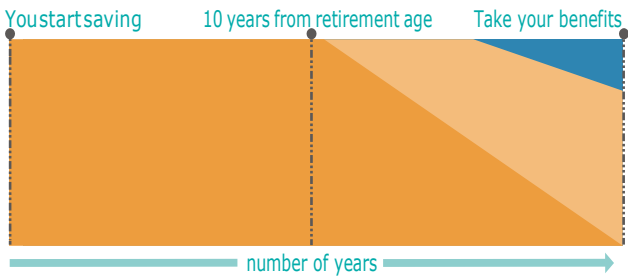
Lifestyle option: targeting retirement options



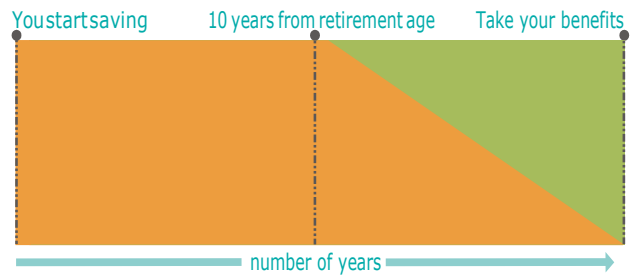
Lifestyle option: targeting 100% cash



Lifestyle option: targeting an annuity



Lifestyle option: targeting drawdown



- Prudential Dynamic Growth IV Fund
- Prudential Dynamic Growth II Fund

- Prudential Long Term Bond Fund
- Prudential Cash Fund

The new funds may have a different aim

All investment funds have an aim. The aim, or objective, tells you what the fund manager is trying to do when managing the fund. Here are the investment objectives, and the risk ratings, of the funds in our four lifestyle options.

Component fund	Lifestyle option targeting	Number of years to retirement age	Our risk rating	Investment objective
Prudential Dynamic Growth IV	<ul style="list-style-type: none"> retirement options an annuity 100% cash drawdown 	more than 10 years	medium	<p>The fund aims to deliver long term growth through investing in a diversified range of assets both in the UK and globally. At any time, the fund will invest at least 40% of its assets in equities but not more than 80%. Investments are managed across asset classes and across world markets with a focus on long run investment potential as forecast on a rolling 10 years basis.</p> <p>The fund may invest in a range of permitted assets which include equities, bonds, property and cash accessed directly or indirectly via appropriate fund vehicles. The fund may include other assets as deemed appropriate by both the manager and current regulations.</p>
Prudential Dynamic Growth II	<ul style="list-style-type: none"> retirement options 100% cash drawdown 	less than 10 years	lower to medium	<p>The fund aims to deliver long term growth through investing in a diversified range of assets both in the UK and globally. At any time, the fund will invest at least 10% of its assets in equities but not more than 40%. Investments are managed across asset classes and across world markets with a focus on long run investment potential as forecast on a rolling 10 years basis.</p> <p>The fund may invest in a range of permitted assets which include equities, bonds, property and cash accessed directly or indirectly via appropriate fund vehicles. The fund may include other assets as deemed appropriate by both the manager and current regulations.</p>
Prudential Long Term Bond	<ul style="list-style-type: none"> an annuity 	less than 10 years	medium	<p>The investment strategy of the fund is to purchase units in the M&G PP Long Term Bond Fund.</p> <p>That fund invests, via other M&G PP funds, in long-dated bonds split equally between UK Government gilts and corporate bonds. It is a 'fund of funds' with the gilts component passively managed. The actively managed corporate bonds are mainly high quality sterling issues, but may include limited amounts of high yield and hedged non-sterling bonds.</p> <p>The split between government and corporate bonds may be reviewed from time to time.</p> <p>Performance objective: to match the performance of the benchmark as closely as possible.</p>
Prudential Cash	<ul style="list-style-type: none"> retirement options an annuity 100% cash 	less than five years	minimal	<p>The investment strategy of the fund is to purchase units in the M&G PP Cash Fund.</p> <p>That fund invests in both secured (reverse repurchase agreements) and unsecured interest bearing deposits, as well as short-term UK Government bonds and certificates of deposit.</p> <p>It is actively managed against its benchmark, the London Interbank LIBID 7 day deposit rate.</p> <p>Performance objective: to outperform the benchmark before charges on a rolling three year basis.</p>

Our investment risk ratings explained

higher	These are specialist equity funds that focus on set geographical regions or a particular type of share – shares of smaller companies or those that conform to certain criteria.
medium to higher	These funds offer a diverse geographical spread of equity investment or have multi-asset strategies with a specialist focus (such as ethical). The equity funds in this category will have greater overseas exposure and underlying volatility than the medium sector.
medium	These funds may invest in multi-asset strategies with a higher weighting in equities (or with significant derivative use), while funds investing mainly in property, high yield or government bonds (such as UK gilts) are also in this category.
lower to medium	These funds may invest in corporate bonds or multi-asset strategies with a higher weighting in corporate bonds – and other comparable strategies.
lower	These funds may invest in assets, combinations of assets or defensive strategies, where the chances of values falling and rising are likely to lie between those of funds investing in money market instruments and funds investing solely in corporate bonds.
minimal	These funds may invest in a combination of deposits, money market instruments and other interest bearing securities.

The information in this leaflet was correct when the leaflet was written.

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