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MD Prudential Unit Trusts

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## Prudential cuts management fees, introduces performance discount

From 1 December 2019, we will reduce our Annual Management Fees (AMF) by between 0.20%-0.25% p.a. across a range of our unit trusts which will directly benefit client returns. This will include clients invested via investment platforms. In addition, we will introduce a new 0.25% p.a. discount on the base AMF for the Prudential Dividend Maximiser and Prudential Equity Funds should the fund performance (net of fees) fall below benchmark.

The rationale behind the changes comes from our commitment to providing our clients with an offering that delivers excellent value for money, is competitively priced and aligned with the changing regulatory environment. To this end, we regularly review our product range to ensure that our offering remains relevant and ideally positioned to deliver the best possible outcomes for our clients.

During a recent review we identified some fund classes where we felt our fees weren't ideally positioned relative to comparable offerings in the market. While we believe these funds still provide excellent returns net of fees, we have decided to reduce our AMF to ensure their ongoing competitiveness. We are very pleased to be able to offer fee reductions of between 0.20%-0.25% p.a. across a range of funds and fee classes. As part of our review, we also recognised the need to keep abreast of the expected changes to adviser fee payment methods as outlined in the FSCA's Retail Distribution Review (RDR). As such, we will be restructuring the way adviser fees are currently paid from the AMF of the A classes of some of our funds, applicable only to new business placed directly with Prudential.

We believe that these changes, which will come into effect from 1 December 2019, are in the best interest of our advisers and clients, and will help to ensure that we continue delivering value for our clients. As the investment management industry keeps raising its standards of transparency and fair treatment for clients, we aim to stay at the forefront of these improvements. At the same time, we are ever-mindful of costs, and our goal remains to be to provide clients with excellent long-term investment performance after fees, as well as outstanding client service.

The table shows the affected Prudential funds and fee classes that will benefit from AMF reductions.

<b>Prudential Fund</b>	<b>Fee Class</b>	<b>Current AMF</b>	<b>New AMF</b>	<b>Reduction in AMF</b>
Balanced Fund	A – Retail	1.25%	1.00%	-0.25%
Dividend Maximiser Fund*	A – Retail	1.25%	1.00%	-0.25%
	B – Rebate-free platform	0.85%	0.65%	-0.20%
	C – All-in platform	2.35%	2.15%	-0.20%
Enhanced Income Fund	A – Retail	1.00%	0.75%	-0.25%
Equity Fund*	A – Retail	1.25%	1.00%	-0.25%
	B – Rebate-free platform	0.85%	0.65%	-0.20%
	C – All-in platform	2.35%	2.15%	-0.20%
Inflation Plus Fund	A – Retail	1.25%	1.00%	-0.25%

\*In addition, a performance fee is charged if specific performance objectives are met.

For more information, contact your financial adviser or our Client Services Team on 0860 105 775 or at [query@prudential.co.za](mailto:query@prudential.co.za).