

Prudential Launches Five New Risk Rated Portfolios



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Prudential is launching five new actively-managed, risk-rated, multi-asset funds designed to help advisers to focus on client management through an extension of its partnership with independent investment specialist Old Broad Street Research (OBSR).

The partnership gives advisers access to the asset allocation expertise of Prudential's Portfolio Management Group (PMG)*, which currently manages over £100 billion of capital, and the fund selection and recommendation experience of OBSR in one place.

Prudential is launching the funds in response to demand from advisers for investment solutions which can help them respond to the changes driven by the Retail Distribution Review and the ongoing focus of the Financial Service Authority's Treating Customers Fairly (TCF) initiative. In addition, customers will benefit from the choice of a wide range of funds across tax wrappers that are designed to meet the needs of identified groups and are targeted accordingly.

Crucially, the funds will be actively risk managed in line with their portfolio investment objectives and may help reduce the risk of potential TCF issues through running static portfolios.

The five portfolios - Defensive; Cautious; Cautious Growth; Balanced; and Adventurous - will be available on a range of [Prudential personal pension](#) products, [income drawdown](#), onshore and offshore bonds. The risk ratings of each portfolio can be mapped against all the major independent risk-rating tools.

Andy Brown, Director of [Investment Funds](#) at Prudential said: "Asset allocation and fund selection are vital in ensuring that client needs and long-term investment expectations are met. However, both are potentially demanding and time-consuming.

"Advisers need cost-effective support with their investment management to address the changing regulatory environment. We are determined to address that issue and are delighted to be expanding our partnership with OBSR."

Phil Lindsay, sales & marketing director for OBSR said: "The objective of the 'Prudential Dynamic Portfolio' risk rated funds is to consistently conform to specific risk profiles by utilising the strengths of Prudential's Portfolio Management Groups' asset allocation capabilities and OBSR's fund research and portfolio construction skills thereby assisting intermediaries in developing solutions in line with client attitudes to risk."

Prudential's Portfolio Management Group will be responsible for asset allocation, determining the macro asset mix of the portfolios with the long-term aim of ensuring the portfolios conform to their stated risk objectives. They will have the flexibility to implement strategic and tactical changes within given ranges which over time will result in changes in the broad asset mix. These changes will be made to ensure the funds remain within the risk parameters set.

OBSR will be responsible for the selection and recommendation of funds to PMG and blending decisions. OBSR will also be able to introduce tilts to the portfolio through manager style and market capitalisation.

Prudential and OBSR launched in 2008 the successful PruSelect fund range of around 100 'best of breed' funds aimed at reducing costs for advisers and enabling those customers nervous of using open architecture products to still benefit from a range of risk rated investment products.

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Notes to Editors:
* The Portfolio Management Group is a team of professional investment specialists within M&G Investment Management Limited, part of the Prudential Group.

About

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