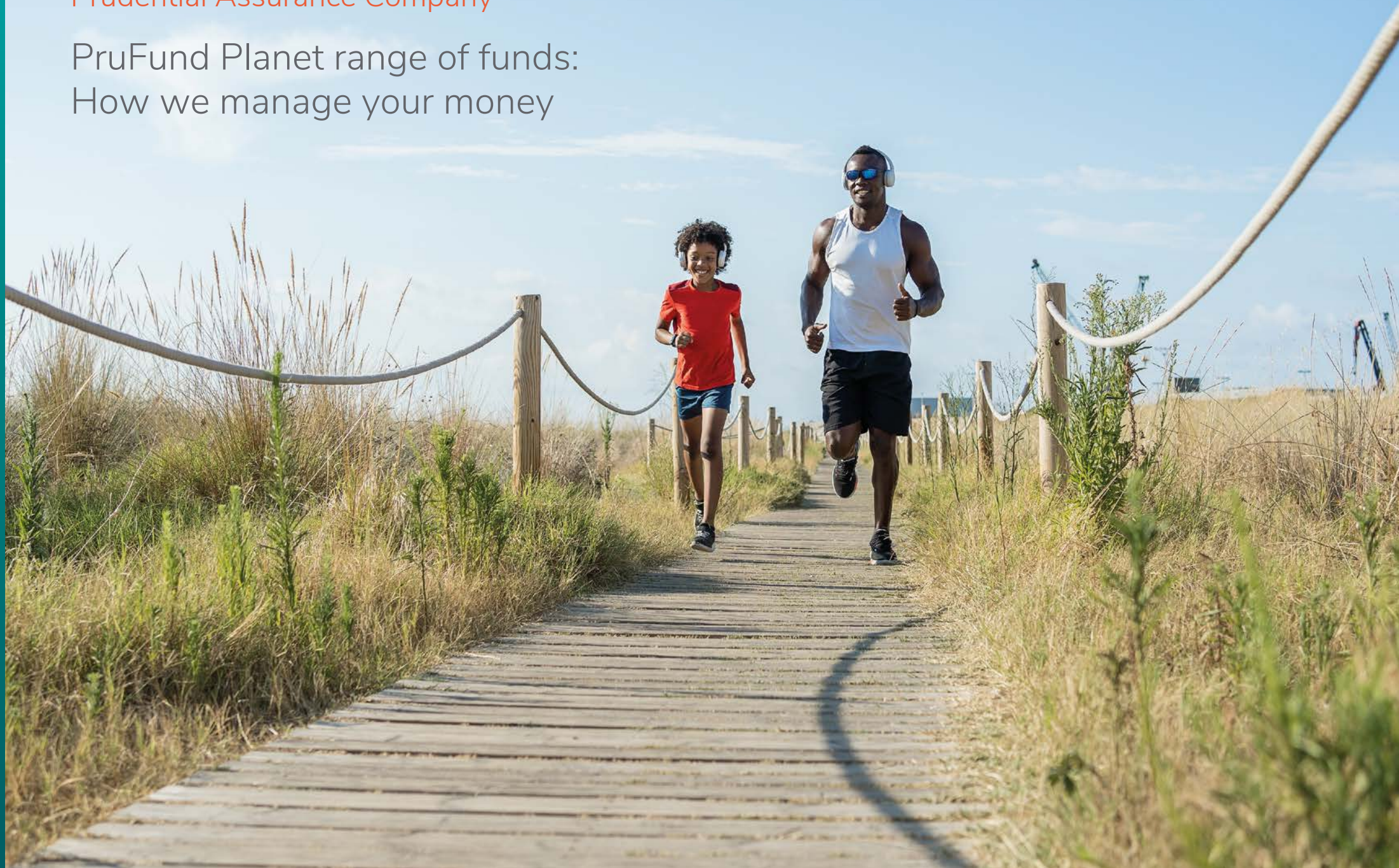


Prudential Assurance Company

PruFund Planet range of funds:
How we manage your money



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Summary

Welcome to the PruFund Planet range of funds Report, where we outline who is managing your money and how we are looking after it — demonstrating our commitment to being stewards of your investment. The term for this is Stewardship. We understand that your time is valuable. That's why we've also created this Summary that covers all the key points from this Report, so you can stay informed without taking too much time out of your day.

For more information on the below, please see the corresponding page numbers.

5 key takeaways

1. As at year-end 2024, all of the funds within PruFund Planet were making progress towards their stated sustainability objectives. This was evaluated through thorough assessments of the funds to determine their effectiveness and progress of their intended Environmental, Social and Governance (ESG) approach and/or outcomes.
2. The Fund you're invested in is pooled together with over 2.5 million other investors into the larger Prudential With-Profits Fund, owned by Prudential Assurance Company (PAC) – page 5
3. The Prudential With-Profits Fund is the largest of its kind in the UK. By pooling your investment with others in the With-Profits Fund, you benefit from diversification across a wide range of assets, so all your eggs aren't in one basket. PruFund's smoothing mechanism also aims to reduce the impact of short-term market ups and downs – page 5
4. A diverse investment approach means that your eggs aren't all in one basket – page 8
5. These funds take ESG and sustainability investing a step further than our other With-Profits Fund options – page 10

Reminder of the PruFund Planet objectives

It may be a while since you first invested, so as a reminder, we've provided the fund's objectives in the box below and a summary of these on the following page. All of the funds in the PruFund Planet range have the same objectives but they may invest differently, which affects the potential volatility and risk of each fund.

Fund objectives

The fund aims to produce growth over the medium to long term (5 to 10 years or more) while smoothing some of the ups and downs of short-term investment performance. The fund spreads investment risk by investing in a range of different asset types, which currently includes UK and international equities, property, fixed interest securities, index-linked securities and other specialist investments. The fund is actively managed and aims to limit the fluctuations ('volatility') the range of funds experience to between 9-17% per annum (depending on the fund chosen and before smoothing). There is no guarantee the fund will achieve its objective of managing the volatility within these limits. In addition to generating financial returns most of the underlying funds apply at least one of the three ESG investing approaches: 1. Mitigating Environmental, Social and Governance risks and minimising negative outcomes 2. Pursuing Environmental, Social and Governance opportunities 3. Focussing on addressing environmental and social issues.

This Report doesn't cover performance of your Bond. For this type of information, please check your annual benefit statement or contact your financial adviser.

Summary of objectives

- Put simply, the fund is meant for people who will invest for 5 to 10 years or more
- Smoothing means that essentially while you won't benefit from the full upside of any potential stock market rises, you won't suffer from the full effects of any falls either
- The fund spreads investment risk by investing in a range of different asset types, a way of not putting all of your eggs in one basket
- If an asset type rises or falls rapidly over the short term, it's considered to be more volatile. The volatility is actively monitored, however like most things, in exceptional circumstances there is no guarantee the fund will achieve its objective of staying within the limits
- To explain the terms Environmental, Social and Governance we have included the following examples:

Environmental, Social and Governance (ESG) factors



Where's your money invested?

As a PruFund Planet policyholder, your money is pooled together with other investors and ultimately part of our Prudential With-Profits Fund.



Get to know our With-Profits Fund

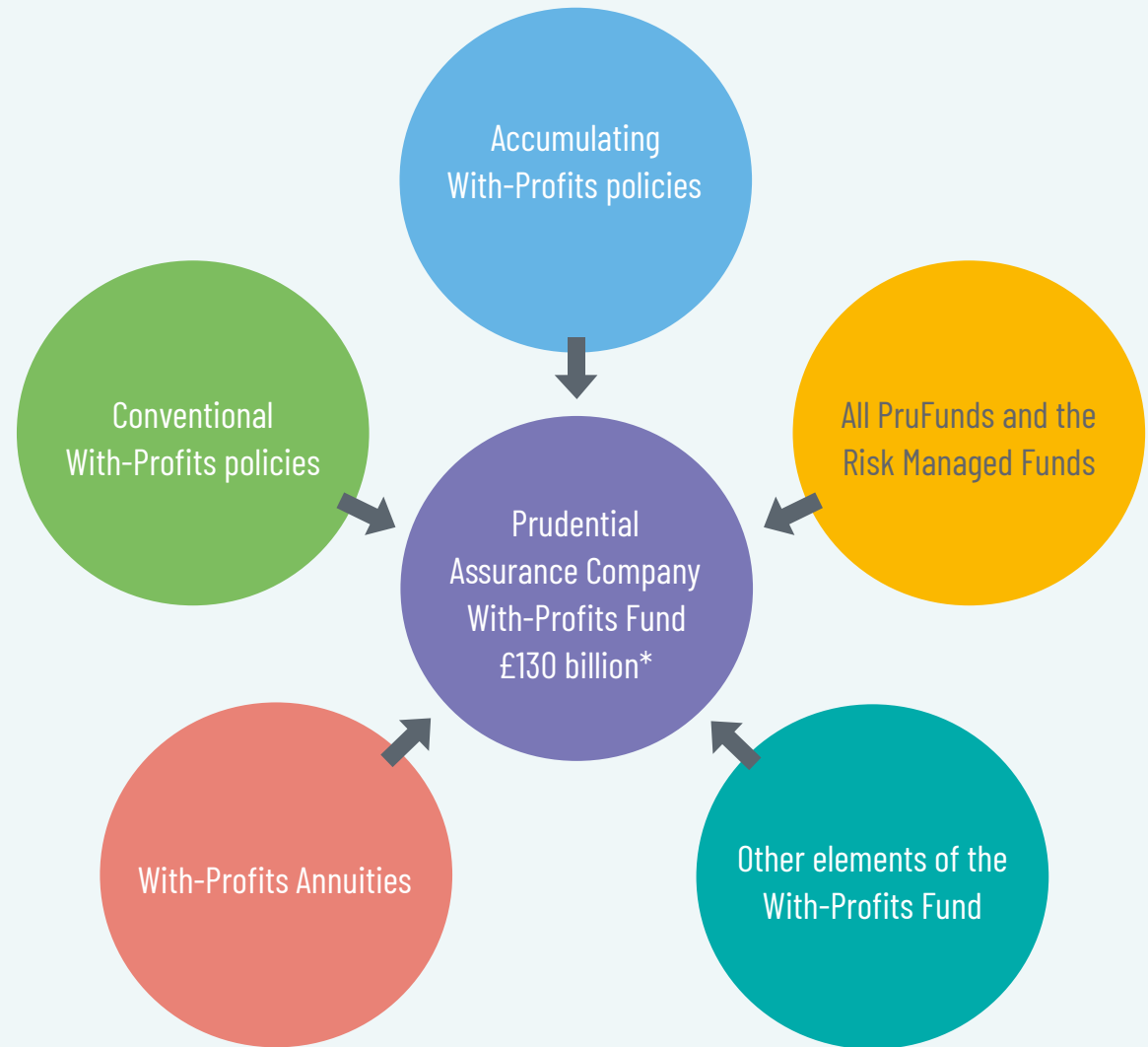
- £130 billion invested*
- 2.5 million customers
- Financially strong (the largest of its kind in the UK), with independent reviews
- Invested in over 100 countries around the world

* Source: M&G plc as at 30 June 2025.

Independent assessments conducted each year confirm that Prudential Assurance Company continues to be a financially strong company.

The value of your investment can go down as well as up so you might not get back the amount you put in.

For more information on the With-Profits fund see the With-Profits report [here](#).



* As at 30 June 2025



What do PruFund Planet Funds focus on?

- Recognising the growing demand for investment options that reduce harm to people and the planet, we introduced the PruFund Planet range in 2021
- A version of our market-leading investment solution which aims to reduce environmental and social risks and capture opportunities
- This range consists of five funds, with a greater allocation to investments working to tackle environmental and social challenges
- Over £180m* invested across all five funds in the range
- Invested in over 30 funds around the world

* Source: M&G plc as at 31 December 2024.

Who's managing your money?

You're probably aware of Pru, we've been around for over 170 years. In 2019, we became part of the M&G plc group of companies. One of the companies that makes up M&G plc is Prudential Assurance Company (PAC). It's PAC who own the With-Profits Fund, which your policy is invested in. Ultimately, PAC looks after your money and is responsible for the policies that you hold with us.

Let's look a little more at the multi-asset investment approach and the team that owns this

- We delegate many of the key investment decisions to our Life Investment Office (LIO) and they work with us in PAC to make the big strategic decisions about what we should invest in for the long term (this is known as asset allocation)
- They are responsible for meeting the objectives for each fund and the investment approach needed to achieve these. They decide how we should approach risks that could impact the value of investments over the long term, like climate change
- LIO appoint fund managers (who can either be internal or external) and ensure they have the experience and expertise we need. An example being M&G Investments, our fund manager in the M&G plc group. Put simply LIO are responsible for investing our policyholders' money, looking after it day to day
- This includes moving money from one asset class to another as well as letting us know what changes they've made and why. They also let us know how well the different fund's objectives are being met

Explaining PruFund's smoothing mechanism

PruFund Planet uses an established **smoothing mechanism**, aiming to smooth the short-term ups and downs of markets. This reduces the volatility, and aims to provide a more stable rate of growth than you would get if you were directly exposed to the daily changes in the fund's underlying investment performance. This means that while you won't benefit from the full upside of any potential stock market rises, you won't suffer from the full effects of any downfalls either.

How do we invest your money?

The world of Environmental, Social and Governance (ESG) investing is complex and it can be viewed from many different angles

You can invest in wide range of companies and assets and still be aligned with positive environmental and social outcomes. ESG investing is not only about backing businesses that provide solutions to global challenges such as climate change, but also about supporting companies that are on the journey to becoming more sustainable.

To give you some insight into how we try and break down a complex subject we are going to explain our ESG investment approach. In simple terms, this allows us to assess our underlying investments so that we can understand how much we are allocating to particular categories. **Each PruFund Planet Fund will allocate to some Opportunity and Solution focused funds with the balance held in Risk focused investments.**

For example, within PruFund Planet we include investments in real estate. Although this may not immediately appear to be an 'ESG' asset class, actively managing buildings to improve their energy efficiency can help reduce operational carbon emissions compared with their previous performance. It's also important to consider that carbon impacts arise across the whole lifecycle of a building, including both day-to-day operational carbon and the embodied carbon associated with construction and materials. These improvements form only one part of the overall picture. This type of investment sits within the Risk Focused category and represents the smallest portion of the overall fund.

In the Opportunity focused bucket we hold a very wide range of investments in companies with strong commitments and/or making strong progress to reduce carbon emissions, or are seen as having a positive impact on their employees or broader society through the day to day running of their businesses. Allocations to these types of companies can often form at least a third of each PruFund Planet fund.

Finally, Solution focused companies specifically looking to address social or environmental challenges, and the allocation to these will vary but can account for up to half of the overall funds.

For a further description of these Risk, Opportunity and Solution focused terms please see the framework on page 10.

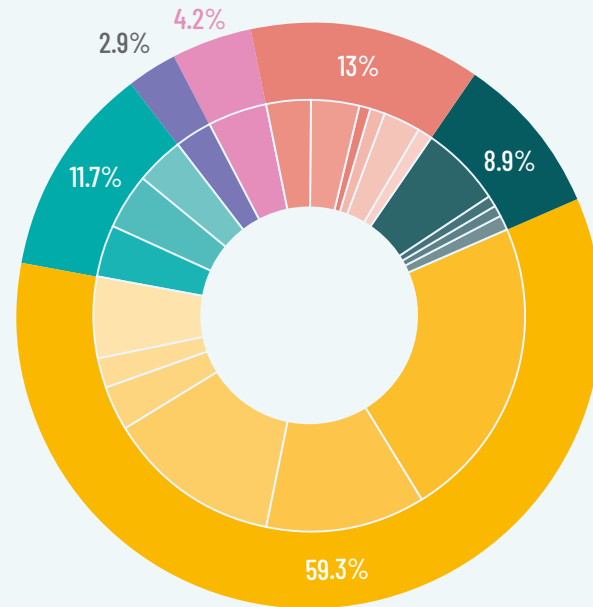
Each fund in the PruFund Planet range of funds will have a different asset allocation, meaning which assets each fund will be invested in. The asset allocations vary due to the potential volatility and risk of each fund. However, they all invest in key areas such as:

- Equities** (also known as shares which represent ownership in a company)
- Real Estate / Property** (can include both commercial property such as offices and shopping centres or residential property such as student accommodation)
- Fixed Income** (investments where regular payments are made over the time we are invested in them)
- Alternatives** (mainly includes exposure to private markets, that most individuals cannot access)
- Cash and Tactical Asset Allocation (TAA)** (allows the implementation of shorter term views)

The catch-all term for all of the assets being invested in is the Strategic Asset Allocation (SAA). This simply means the assets we want to be invested in for the medium to long term.

An example of PruFund Planet 1 as at 31 October 2025 is shown to the right.

PruFund Planet 1



Source: Life Investment Office
as at 31 October 2025

Examples of companies we invest in

This is a selection of companies invested in by some of the funds within the PruFund Planet range. Not all funds invest in these companies and investments may change.



Equities – Quanta Services

Quanta Services delivers infrastructure solutions including projects that support cleaner energy, such as connecting wind and solar sites to the grid and installing battery storage systems. The company is also involved in power network upgrades and renewable integration. Alongside this work, Quanta operates across the wider energy and infrastructure sector, which includes activities associated with more traditional and higher-emission industries.



Alternatives – Seeker Music

Seeker Music is an independent music company focused on publishing, records, and rights management. Founded in 2020 and backed by M&G, it has built a catalogue of over 17,000 copyrights and master recordings, including works by artists such as Joan Jett and Justin Bieber. Seeker's approach combines creative expertise with financial discipline, acquiring and revitalising music catalogues to generate long-term value for artists and investors.



Real Estate – The Fitzrovia (Tottenham Court Road, West End London Office)

The Fitzrovia is an 86,810 sq ft mixed-use development in London's West End, designed to meet high sustainability and wellbeing standards. It will operate as an all-electric scheme with solar panels integrated into a green roof to support biodiversity. Offsite construction methods and prefabricated components are being used to reduce the carbon impact and on-site emissions associated with the construction process. While these measures are intended to help reduce environmental impact, the development will still generate carbon through its construction processes, materials and wider lifecycle.



Fixed Income – Saltaire Finance plc

Saltaire Finance plc is a special-purpose finance company that issues publicly listed, guaranteed, secured bonds. The proceeds are used to lend to registered social housing providers in England as part of the UK Government's Affordable Homes Guarantee Scheme 2020 (AHGS20).

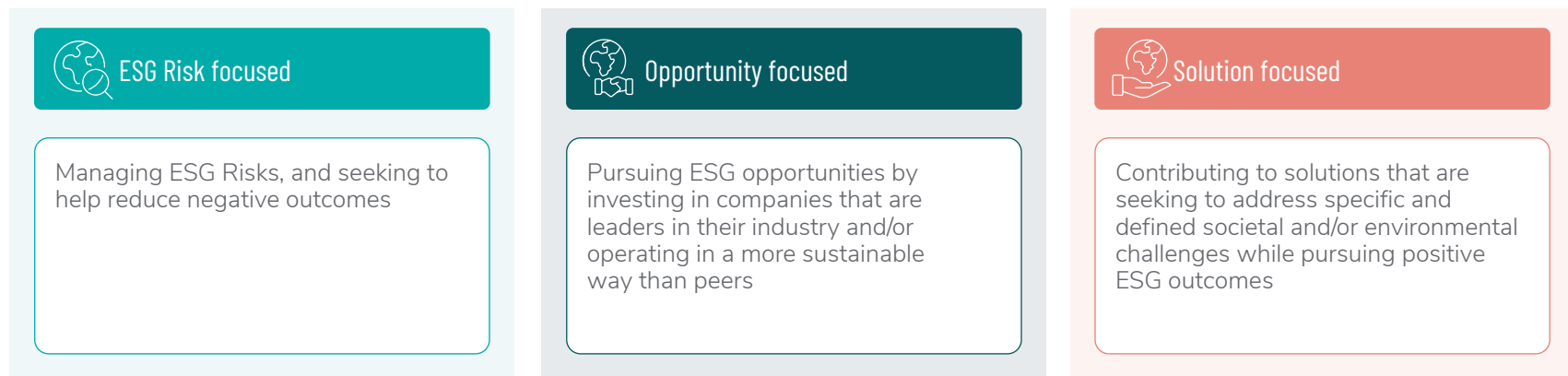
Spotlight on Environmental, Social and Governance (ESG) factors within the PruFund Planet range of funds

1. ESG and Sustainability

Prudential Assurance Company (PAC), as part of the M&G plc Group, shares M&G plc's purpose to give our clients real confidence to put their money to work, and a set of investment beliefs that are aligned to our culture and values. An example of this is our commitment to address climate change, and diversity inclusion. We are committed to excluding companies in some harmful sectors from our investments across all companies. For more information please see our **PAC ESG Investment Policy**. To read more about our culture and values, see Principle 1 of the **PAC Stewardship Report**.

2. ESG investment approach

The Life Investment Office (LIO) ESG Product Framework has been developed to classify the underlying funds selected for PruFund Planet. These approaches are not a scale of 'doing good' as each one applies ESG criteria in a different way, illustrated in the diagram below.



We have a team of people whose job it is to set our approach to ESG, including the policies we follow, how we choose the asset managers and then monitor how we use this across our investments. See the next page for an example of how we monitor asset managers.



Did you know?






Shown below, each year some of our appointed asset managers choose to use this **Impact Management Norms approach** as part of their analysis when investing in solution focused companies. This is how we assess how our asset managers are managing the funds.

All this means is we identify the positive and negative impacts a company can have on people and the planet. We then work with our appointed asset managers to engage companies, encouraging them to reduce negative impacts and help to increase positive outcomes.

To help us assess, we use an industry standard Five Dimensions of Impact assessment tool: **What, Who, How much, Contribution and Risk**. Our Life Investment Office (LIO) use these to assess the holdings against this criteria.

As this approach is used for solution focused funds only, currently this accounts for up to half of the overall funds.

Impact Management Norms approach

 What	 Who	 How much	 Contribution	 Risk
<ul style="list-style-type: none"> • What outcome is appearing in the period? • Is the outcome positive or negative? • How important is the outcome to the people experiencing it? 	<ul style="list-style-type: none"> • What type of stakeholders are experiencing the outcome? 	<ul style="list-style-type: none"> • How much of the outcome is occurring in resolving the challenges/issues, across scale, depth and duration? 	<ul style="list-style-type: none"> • Would this change be likely to happen anyway without the investors participation in the market? • How is 'additionality' being measured? 	<ul style="list-style-type: none"> • What is the risk to people and the planet that impact does not occur as expected? • What are the possible unintended effects?

If we identify issues with an asset manager's approach, we can recommend the changes they need to make. For example, changing where they invest, the processes they use, and increasing the number of assets they are investing in. We then actively monitor how these changes are being made.

A cornerstone of our ESG approach is **working with our asset managers to actively engage with companies** they invest in on our behalf to:

- influence these companies' behaviours
- shift towards more sustainable businesses and outcomes

Our asset managers have **criteria** we expect them to meet around:

- Engagement: The discussions they have with the companies, where our managers are expected to establish a clear engagement objective
- Voting records: Voting on our behalf on issues that might impact a company's ESG performance

We require **updates on engagement**:

- actions and next steps on successes
- actions on failed engagements with escalation steps are also required, driving positive change where we highlight room for improvement

This means that we, through appointed fund managers, can seek to effect positive change within companies that aren't actively producing sustainable products. Our investment and 'seat at the table' allows us this influence on how they decide how to do business.

3. Engagement case study

This is an example of a company invested in by one of the funds within the PruFund Planet range. Not all funds invest in this company and investment may change.

While the below example is seen as a successful outcome, the actions the company took may not be directly attributed to the engagement, nonetheless the objectives were still met.

Engagement in action

Source: External Asset Manager
Environmental focused engagement with water utilities company

Objective

The external manager engaged in efforts to minimise risk and enhance corporate management of water and waste issues in areas some of which include: emergency preparation and response, prevention of future breach and waste management.

Approach

After engaging with the company for one year, the external manager continued engagement with the company via emails and had two engagement meetings with the Director of Customer Operations.

There are also instances where they can be deemed unsuccessful. This may typically occur when specified objectives have not been achieved or where there has been a lack of progress on the objectives. The Life Investment Office Management Oversight team are responsible for holding quarterly meetings with appointed managers to discuss relevant factors including Environmental, Social and Governance (ESG) considerations. These are used as an opportunity to understand their escalation process.

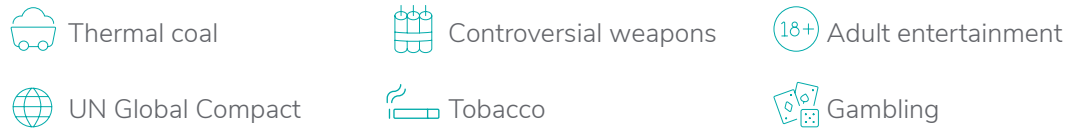


Outcome and next steps

The external manager was able to close all engagement objectives as the company confirmed to reduce sewage spillages to an average of 20 per year by 2025. The company is also among the companies with the fewest 'Total and Serious pollution incidents' in the entire sector according to the Environmental Agency (EA) assessment. The company has also set a target on leakage spills and is currently innovating its treatment processes to treat for PFAS (per – and poly fluoroalkyl substances) in drinking water. The EA confirmed that the company has obtained the highest score in the sector for four consecutive years.

Environmental, Social and Governance (ESG) exclusions approach

We actively apply **ESG restrictions**, known as exclusions. Those that are appropriate for PruFund Planet are shown below:



These core exclusions are actively managed and may change in the future. We will continue to monitor requirements on your behalf and can add to these if necessary.

In some instances the funds PruFund Planet invests in may not align with all of these exclusions, although our Life Investment Office aim to ensure adherence to their PAC ESG Investment Policy to the greatest extent possible. For example, the Property Fund may have indirect exposure due to tenant actions; we monitor and mitigate these where feasible. For more information on this and to see which exclusions apply to each of the funds, please see pages 16-20 of the **Due Diligence guide**.

Conclusion

With this Report we aimed to explain how your money is being put to work by outlining how we provide stewardship and actively oversee your investments, including considerations around ESG factors. We hope that this has provided you with enough information on how your money is being managed within PruFund Planet.

It's here to give you an update on what's happening with the fund(s) you're invested in. There's no need to do anything, however, if you do have any further questions, please contact your adviser. You can also visit our **Stewardship website page** where you will find more detail on how we are taking care of your money.

As previously mentioned, here is a reminder of the key takeaways.

5 key takeaways

1. As at year-end 2024, all of the funds within PruFund Planet were making progress towards their stated sustainability objectives. This was evaluated through thorough assessments of the funds to determine their effectiveness and progress of their intended Environmental, Social and Governance (ESG) approach and/or outcomes.
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5. These funds take ESG and sustainability investing a step further than our other With-Profits Fund options – Page 10

The commentary in this Report reflects the general views of the Life Investment Office and should not be taken as a recommendation or advice as to how a specific market or fund is likely to perform.