

2026 Smoothed Return Announcement

Income Choice Annuity

This document gives you information about the current and historic declared Smoothed Returns for your Income Choice Annuity (ICA) plan. If you have any questions after reading this, please speak to your financial adviser or give us a call. You can also visit pru.co.uk/existing-customers

So how have we done?

In 2025, broadly positive, but uncertain and volatile market conditions, combined with the With-Profits Fund's ability to invest across regions and in both public and private markets, helped support strong performance.

In 2026, our With-Profits Fund managers will continue to evolve our savings and investment asset portfolios and capture new investment opportunities from around the world. Our managers aim to secure the highest total return for the Fund (after any tax and investment expenses) while maintaining an acceptable level of risk and protecting our customers.

The table below shows our With-Profits Fund returns for this year and over the last 10 years.

Bonus Declaration Year										
Gross Fund Return in preceding year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	14.5%	10.3%	-2.8%	11.5%	1.7%	12.0%	-1.5%	4.3%	7.3%	11.6%

Source: Prudential. 'Gross' refers to before tax, charges and the effects of smoothing. Fund returns shown are for the main asset pool in our With-Profits Sub-Fund, which is relevant to the vast majority of our customers and do not include the additional money shared as part of the 2020, 2022, 2023 and 2024 Bonus Declarations.

What does this mean for you?

The table below shows the Smoothed Returns we have announced this year, the impact this will have on your income is shown in your annual statement. The full Smoothed Returns history is shown on the back page. The change in your income each year won't reflect exactly the performance of the With-Profits Fund, because of the effects of smoothing and charges. Please see information specific to your Plan to find out more.

Effective Date (Annuity Start Date)																		
2026 Announced Smoothed Return	09/03/09 to 05/04/09	06/04/09 to 05/04/10	06/04/10 to 05/04/11	06/04/11 to 05/04/12	06/04/12 to 05/04/13	06/04/13 to 05/04/14	06/04/14 to 05/04/15	06/04/15 to 05/04/16	06/04/16 to 05/04/17	06/04/17 to 05/04/18	06/04/18 to 05/04/19	06/04/19 to 05/04/20	06/04/20 to 05/04/21	06/04/21 to 05/04/22	06/04/22 to 05/04/23	06/04/23 to 05/04/24	06/04/24 to 05/04/25	06/04/25 to 05/04/26
	9.0%	8.0%	9.0%	9.0%	8.5%	9.5%	8.5%	8.0%	8.5%	8.5%*	8.0%*	8.5%*	8.5%*	8.5%*	8.5%*	8.5%*	8.5%*	8.5%*

* This applies to customers originating from our Flexible Lifetime Annuity (FLA) only.

Source: Prudential. **We can't predict the future. Past performance isn't a guide to future performance.** Changes in the income payable from an Income Choice Annuity will depend on the relationship between the Smoothed Return announced and the Required Smoothed Return needed to maintain your chosen income. The income from an Income Choice Annuity can fall as well as rise at each plan anniversary, subject to any guaranteed minimum level of income (known as the Secure Level) that applies. The Smoothed Return can be changed and it's not guaranteed until it becomes payable at the next plan anniversary.

What happens next?

Your annual statement shows you your new income amount based on the latest Smoothed Returns specific to your Plan. It will also show you if you have the option to change your income or switch to a Prudential Guaranteed Pension Annuity. Please see your annual statement for more information.

Smoothed Return History

The table below shows the history of the Smoothed Returns since 2009. This doesn't include the 2026 Announced Smoothed Returns, these are shown on the front page.

Announced Smoothed Return Year	Effective Date Annuity Start Date																
	09/03/09 to 05/04/09	06/04/09 to 05/04/10	06/04/10 to 05/04/11	06/04/11 to 05/04/12	06/04/12 to 05/04/13	06/04/13 to 05/04/14	06/04/14 to 05/04/15	06/04/15 to 05/04/16	06/04/16 to 05/04/17	06/04/17 to 05/04/18	06/04/18 to 05/04/19	06/04/19 to 05/04/20	06/04/20 to 05/04/21	06/04/21 to 05/04/22	06/04/22 to 05/04/23	06/04/23 to 05/04/24	06/04/24 to 05/04/25
2025	8.0%	7.5%	7.5%	8.0%	7.5%	7.5%	7.5%	7.0%	7.5%	7.5%*	7.0%*	7.5%*	7.5%*	7.5%*	7.5%*	7.5%*	7.5%*
2024	6.5%	6.0%	6.0%	6.5%	6.0%	6.0%	5.0%	5.5%	6.0%	6.0%*	5.5%*	6.0%*	6.0%*	6.0%*	6.0%*	6.0%*	
2023	2.0%	2.0%	2.0%	2.0%	2.0%	1.0%	1.0%	1.0%	1.0%	1.0%*	1.0%*	1.0%*	1.0%*	1.0%*	4.5%*		
2022	19.0%	19.0%	15.0%	15.0%	14.5%	14.5%	14.5%	14.0%	14.0%	10.0%*	10.0%*	10.0%*	10.0%*	9.0%*			
2021	5.0%	4.0%	2.5%	2.5%	2.5%	2.5%	2.0%	2.0%	2.0%	0.5%*	0.5%*	0.5%*	4.5%*				
2020	17.5%	15.5%	13.0%	13.0%	13.0%	13.0%	13.0%	12.5%	12.5%	6.5%*	6.5%*	4.5%*					
2019	2.5%	1.0%	1.0%	1.0%	1.5%	1.5%	1.5%	1.0%	1.0%	1.0%*	4.5%*						
2018	12.0%	11.0%	11.0%	11.0%	11.0%	11.0%	9.5%	8.0%	8.0%	6.0%*							
2017	10.0%	9.0%	8.0%	8.0%	8.0%	8.0%	7.0%	6.0%	6.0%								
2016	5.0%	5.0%	4.0%	4.0%	3.5%	3.0%	2.5%	5.0%									
2015	8.5%	8.5%	7.0%	7.0%	6.5%	6.0%	5.0%										
2014	8.0%	7.5%	6.5%	6.5%	6.5%	6.0%											
2013	6.0%	5.0%	4.5%	4.5%	6.0%												
2012	7.0%	6.5%	4.5%	6.0%													
2011	9.0%	7.1%	6.5%														
2010	8.5%	7.1%															
2009	7.1%																

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Source: Prudential.

Where applicable, our Smoothed Returns include additional money we shared with our Income Choice Annuity customers as part of previous year's Bonus Declarations. Our Smoothed Returns aren't guaranteed. To protect the interests of all customers, we may need to take back this additional money in the future. There's currently no expectation that this will happen, and we would only expect to consider it in very unusual circumstances, such as a significant market crash.

If you'd like to know more please read the Customer Friendly Principles and Practices of Financial Management (CFPPFM) relevant to your Plan. You can also read our Asset Mix and Investment Returns documents as they may be useful to you.

All are available on pru.co.uk/ppfm

There's also a glossary of terms that you might find useful. This is available on mandg.com/bonus-dec/glossary

pru.co.uk

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