

# 2024 Bonus Declaration

## Former Equitable Life With-Profits Annuity

This document gives you information about the current bonus rates for your former Equitable Life With-Profits Annuity plan. If you have any questions after reading this, please give us a call. You can also visit [pru.co.uk/existing-customers](https://pru.co.uk/existing-customers)

Where the words “Prudential”, “we” and “our” are used, they refer to The Prudential Assurance Company Limited (PAC). For those Plans transferred to Prudential International Assurance (PIA) on 1 January 2019, your insurer is PIA and not PAC.

### So how have we done?

In 2023, our globally diversified With-Profits Fund produced a positive return in changeable, and fast moving, economic conditions. Our with-profits customers have benefited from investing in a multi-asset, globally diversified fund during this period, with our fund managers taking advantage of the globally diversified nature of the Fund to seek out, and benefit from, opportunities across a wide range of different asset types. A positive return of 4.3% (gross of tax) was achieved.

In 2024, the team will continue to take decisions that allow them to manage the Fund prudently. We'll aim to secure the highest total return for the Fund (after any tax and expenses) while maintaining an acceptable level of risk and protecting our customers.

### What does this mean for you?

The 2024 bonus rates to be applied to your With-Profits Annuity on your next Plan anniversary falling on or after 1 April 2024 are:

Overall Rate of Return	3.0%
Interim Rate of Return	6.5%
Regular Bonus	0.5%

**We can't predict the future. Past performance isn't a guide to future performance. The rate of future Regular Bonus, Overall Rate of Return and Interim Rate of Return can't be guaranteed.**

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.

Your yearly statement shows the change in your income because of the February 2024 Bonus Declaration, after taking into account your Anticipated Bonus Rate (ABR) and any Guaranteed Interest Rate (GIR) for your Plan.

### Why have we declared an Overall Rate of Return (ORR) of 3.0%?

The Overall Rate of Return (ORR) is applied on your Plan anniversary falling on or after 1 April 2024. It's designed to give credit for the investment return earned by the With-Profits Fund during 2023, allowing for smoothing and charges. The same ORR applies to all Plans and can be negative.

## Why have we increased the Interim Rate of Return (IRR) to 6.5%?

The Interim Rate of Return (IRR) is applied on your Plan anniversary and is intended to give credit for the expected future investment return on the With-Profits Fund from 1 January 2024 until your Plan anniversary falling before 31 March 2025, allowing for smoothing and charges. The IRR can change or be removed at any time.

The change in your Total Annuity at your next Plan anniversary will reflect the level of ORR and IRR declared, after removing the IRR declared in the previous year. We also take the Anticipated Bonus Rate and any Guaranteed Interest Rate for your Plan into account when working out your new income.

We promise to pay you the higher of your Guaranteed Annuity and your Total Annuity.

## Why have we declared a Regular Bonus of 0.5%?

In order to maintain investment flexibility and to protect the financial strength of our With-Profits Fund, we aim to keep the level of guaranteed benefits at a sustainable level. The cost of providing the guarantees on former Equitable Life With-Profits Annuities has reduced, therefore we've been able to declare a Regular Bonus for the first time, which once added can't be removed and will add to the guaranteed benefits of your plan.

## Why is your income linked to the performance of our With-Profits Fund?

By linking the income from your former Equitable Life With-Profits Annuity to the performance of our With-Profits Fund, your income has the potential to increase during your retirement, although as with any investment, it could also fall.

We aim to secure the highest total return over the time you have your Plan, while maintaining an acceptable level of risk. In addition, we use our bonus process to smooth some of the highs and lows of investment performance.

Your level of income at the start of your Plan depended on your Anticipated Bonus Rate (ABR) and whether your Plan had a Guaranteed Interest Rate (GIR). The higher your combined ABR and GIR, the higher your initial income. This combination also meant a higher chance of falls in income in the future.

Your future level of income depends on the combination of:

- The level of Regular Bonus, Overall Rate of Return (ORR) and Interim Rate of Return (IRR) we declare relative to your ABR
- Any GIR

The combination of the Regular Bonus, ORR and IRR we declare represents your fair share of the profits, after charges and smoothing, earned on the With-Profits Fund since the transfer of your Plan to Prudential on 31 December 2007.

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](https://pru.co.uk/ppfm)