

# With-Profits Pension Fund

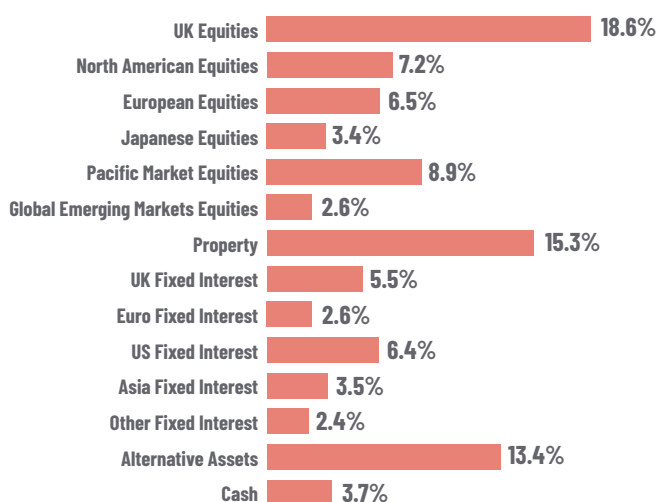
This is an investment option for our Flexible Retirement Plan and Trustee Investment Plan products. Our Income Choice Annuity is also linked to the performance of our With-Profits Fund.

This document is for use by individuals who are familiar with investment terminology. If there is product information included that you would like to discuss, then please contact your Financial Adviser.

## Fund aim

Objective: The fund aims to maximise growth over the medium to long term by investing in shares, property, fixed interest and other investments. The fund currently invests in UK and international equities, property, fixed interest securities, index-linked securities and other specialist investments.

## Asset allocation



This is the asset allocation for the fund as at 31 March 2022. Asset allocations are regularly reviewed and may vary from time to time, but will always be consistent with the fund objective.

## Fund manager commentary – Q1 2022

Global inflationary fears and Russia's invasion of Ukraine dominated global financial markets. Rising inflation expectations weighed heavily on both bonds and shares, as investors fretted over the impact of higher prices and anticipated a much faster pace of interest rate rises from the major central banks. The conflict in Ukraine acted as another catalyst for commodity price rises. The added geopolitical uncertainty weighed heavily on many emerging markets, particularly those closest to the conflict zone. However, some markets further afield, such as in Latin America, and notable oil-producing nations performed well.

Assets traditionally seen as safer bets, such as the US dollar and gold also benefited. The yields on government bonds in the UK, US and Europe rose sharply (prompting notable losses for many investors).

UK commercial property enjoyed a solid start. Despite the high level of COVID-19 cases, rising inflation and increasing interest rates, investors appear optimistic. We believe the reasons for the optimism are improving economic and employment growth – both key drivers of the demand for space – buoyant household savings, which are supportive of a retail and leisure recovery, and employees returning to the office. Trends of the past few months remain in play, with ongoing strong demand for industrials. Retail has seen a marked recovery. Demand for office space is also steadily gaining traction.

The M&G Treasury & Investment Office (T&IO) outlook is cautiously optimistic although much uncertainty remains.

This commentary reflects the general views of individual fund managers and should not be taken as a recommendation or advice as to how any specific market is likely to perform.

## Top ten holdings\*

1	TAIWAN SEMICONDUCTOR MANUFACTURING	0.61%
2	ASTRAZENECA PLC	0.56%
3	SHELL PLC	0.53%
4	SAMSUNG ELECTRONICS LTD	0.49%
5	RIO TINTO PLC	0.44%
6	GLAXOSMITHKLINE PLC	0.38%
7	APPLE INC	0.37%
8	HSBC HOLDINGS PLC	0.36%
9	MICROSOFT CORP	0.36%
10	BP PLC	0.35%

\* Largest assets excluding derivatives exposure positions.

Source: Prudential as at 31 March 2022.

## M&G Treasury & Investment Office (T&IO)

T&IO are our in-house asset-allocation experts in the UK. They select a wide range of assets to hold in the With-Profits Fund, in line with the Fund's objective. The aim is to maximise long-term return maintaining the financial security of the Fund.

## With-Profits Pension Fund – investment returns (before tax)

31.12.2021	31.12.2020	31.12.2019	31.12.2018	31.12.2017
12.0%	1.7%	11.5%	-2.8%	10.3%

Source: Prudential. These returns are gross of tax (where applicable), and before charges and the effects of smoothing. These figures are based on annual performance.

## With-Profits Pension Fund – cumulative returns over 1, 5 & 10 years (before tax)

1 Year Cumulative Return	5 Years Cumulative Return	10 Years Cumulative Return
12.0%	36.2%	113.3%

Source: Prudential. All figures to 31 December 2021. With-Profits performance is gross of tax, and before charges and the effects of smoothing.

The returns shown are the returns on the underlying assets and do not reflect the actual pay-outs on any plan. The actual returns on any plan are smoothed and whilst investment performance is normally the most important factor in determining the level of bonuses applied to Flexible Retirement Plans and Trustee Investment Plans, or the announced smoothed return for the Income Choice Annuity, other factors including charges, deductions and the effects of smoothing will also apply. For more information on smoothing, please refer to the relevant Your With-Profits Plan – A guide to how we manage the Fund. A further factor affecting the announced smoothed returns for our Income Choice Annuity is any changes in our assessment of how long Income Choice Annuitants might live.

For latest information on annual bonus rates, please refer to the following: [pru.co.uk/bonus\\_declaration\\_rates/](https://pru.co.uk/bonus_declaration_rates/)

### Please note

We can't predict the future. Past performance isn't a guide to future performance.

### Flexible Retirement Plan and Trustee Investment Plan

The rate of growth of funds and any income from them cannot be guaranteed. The value of your investment

depends on how much profit the Fund makes and how we decide to distribute it. The value of your investment can go down as well as up so you might get back less than you put in.

A Market Value Reduction (MVR) may be applied if you take money out of the With-Profits Fund. There are times we do not apply an MVR, for further details please see your Key Features Document.

### Income Choice Annuity

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 the chosen income. The income from an Income Choice Annuity can fall as well as rise at the policy anniversary.

The Smoothed Return can be changed and is not guaranteed until it becomes payable at the next policy anniversary. There may be instances where we need to withdraw giving you the opportunity to change your income in the future. We'd do this to maintain the financial strength of the With-Profits Fund for the benefit of all our customers. For full details please see your Key Features Document.

[pruadviser.co.uk](https://pruadviser.co.uk)

"Prudential" is a trading name of The Prudential Assurance Company Limited which is registered in England and Wales. Registered Office at 10 Fenchurch Avenue, London EC3M 5AG. Registered number 15454. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.