

# With-Profits Pension Fund

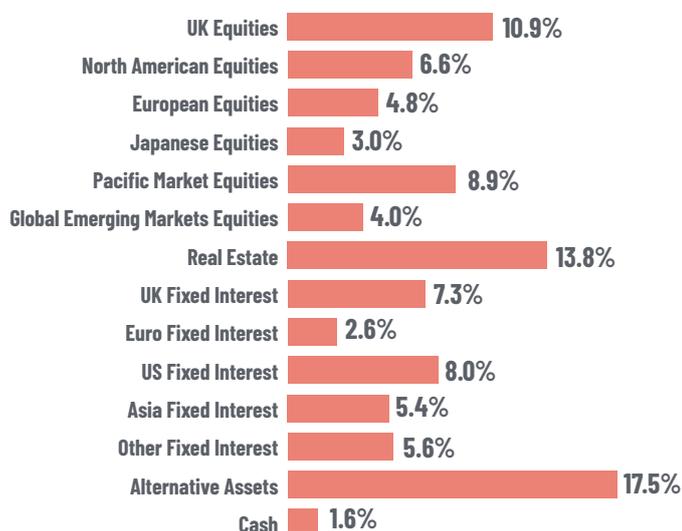
This is an investment option for our Flexible Retirement Plan and Trustee Investment Plan products. Our Income Choice Annuity is also linked to the performance of our With-Profits Fund.

For more information on this fund or if you have any questions, please contact your Financial Adviser.

## Fund aim

Objective: 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.

## Asset allocation



Please note figures may not add up to 100% due to rounding. This is the asset allocation for the fund as at 31 March 2025. Asset allocations are regularly reviewed and may vary from time to time, but will always be consistent with the fund objective. Glossary of investment terms available at [pru.co.uk/glossary](https://pru.co.uk/glossary)

## Fund manager commentary – Q1 2025

Financial markets experienced turbulence as investors reacted to President Trump's tariff campaign, fiscal shifts in Europe and a ground-breaking new Chinese AI model. In the bond market, rising risk aversion and recession fears drove US Treasuries higher. UK government bonds registered a modest gain. Concurrently, Germany's suspension of its so-called debt brake to increase defence spending pushed up government bond yields. Japanese government bond yields reached their highest levels since 2008. Corporate bonds were relatively resilient.

Global equity markets were volatile. The US declined due to new tariff measures and growing concerns about valuations of big technology firms. The S&P 500 fell 4.3%, most significant quarterly drop since Q3 2022. Notably, the 'Magnificent Seven' group of mega-cap US tech stocks, which have driven the market lately, were weak and lost nearly US\$2 trillion.

In a reversal of recent trends, US equities trailed other regions. Proposals to ramp up European defence spending propelled regional equities. UK equities also began positively. Optimism about China's AI development boosted the MSCI Emerging Markets Index, which outperformed the declining MSCI World and S&P 500 indices.

From a sector perspective, energy and financials led the gains, whereas information technology and consumer discretionary experienced the most significant declines. The US dollar declined against major currencies.

The M&G Treasury & Investment Office (T&IO) outlook is cautious as 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	MEMO – PROPERTY DIVISION (OB HLD Prvt	8.57%
2	MEMO – INTL. PROPERTY (OB HLDG) Prvt	1.78%
3	MEMO – OB USD PROPERTY PRVT Prvt	1.50%
4	MEMO – OB EUROPEAN PROPERTY Prvt	1.49%
5	NB GEMINI FUND LP Prvt	0.60%
6	ASTRAZENECA PLC	0.55%
7	TAIWAN SEMICONDUCTOR MANUFACTURING	0.46%
8	HSBC HOLDINGS PLC	0.45%
9	WMF II COMM II FD T GBP UNH ACC	0.45%
10	HGCAPITAL TRUST PLC	0.41%

Figures as at 31 March 2025.

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

T&IO are our in-house asset allocation experts and 'manager of managers' in the UK. The team is responsible for the strategic allocation of all Prudential multi-asset funds, in addition to selecting and overseeing all underlying fund managers. They are also responsible for ensuring that the risk characteristics of each portfolio meet given objectives over time. Stock selection is then carried out by internal and external fund managers chosen for their strengths in specific asset classes.

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

31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020
7.3%	4.3%	-1.5%	12.0%	1.7%

All figures to 31 December 2024. With-Profits performance is gross of tax, and before charges and the effects of smoothing.

## 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
7.3%	25.4%	78.0%

Source: Prudential. All figures to 31 March 2025. With-Profits performance is gross of tax, and before charges and the effects of smoothing. We can't predict the future. Past Performance isn't a guide to future performance.

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/)

### 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.

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

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