

# Unit Linked Quarterly Review Life and Individual Pension Funds

30 June 2024

## We continually monitor the unit linked funds we make available

And as part of this we carry out a quarterly review of the investment performance of these funds and highlight any that are 'flagged' through our analysis. These are funds we want to take a closer look at or maybe take some action on.

In this quarterly update we provide information on the funds we've looked at in greater detail, and the outcome of that work.

We hope this information might be useful when reviewing your investments with your financial adviser.

Details of how we manage our unit-linked funds are available at [pru.co.uk/ppfm/ul](http://pru.co.uk/ppfm/ul)

Up to date information on all our funds can be found at [pru.co.uk/funds](http://pru.co.uk/funds)

Not all funds will perform well in all economic circumstances. Some funds will benefit more when markets are rising, and some will benefit more when markets are uncertain.

Just because we've investigated a fund, and listed it in this update, it doesn't mean there is anything necessarily wrong. It just means that we've wanted to take a closer look and be sure it's still a fund we're happy to make available to our investors.

Our views on a fund don't take account of your personal factors and we suggest that you speak to your financial adviser before making any decision based on the information in this quarterly review.

The value of your investment can go down as well as up so you might get back less than you put in.

If you don't already have one, we have a team of advisers who can help. Our financial planning experts can offer you advice on a range of carefully selected products from Prudential and other providers. It's called a restricted advice service. To find out more you can go [pru.co.uk/contact-a-financial-adviser](http://pru.co.uk/contact-a-financial-adviser), where you'll get details of financial advisers in your area.

Or you can find an independent financial adviser at [unbiased.co.uk](http://unbiased.co.uk).

## How do we review our unit linked fund range?

Our Investment Manager Oversight Team is responsible for continually reviewing how well our funds are performing.

We review our funds based on a large number of measurements, that cover investment performance, risk and other relevant factors, such as:

1. How funds have performed in the short, medium and long-term (over various periods of time), comparing (where appropriate) to things like
  - the fund's benchmark
  - similar funds in the same sector
2. How much "risk" is taken to achieve the return
  - if a fund is modestly outperforming competitor funds but the fund manager is taking lots of risk then that can be a concern.
3. Other factors that could impact the long-term (10 years or more) prospects of the fund. Such as a change of the named fund manager, large amounts of money leaving the fund etc.

Within these broad categories we run various checks, which can often depend on the type of fund. We expect that these will evolve and change in the future.

## What might happen next?

If a fund is "flagged" we'll investigate the reasons for that. This may also involve meeting the fund manager to discuss the fund.

If, after due consideration, we're satisfied we can keep the fund open to our investors, we'll take no further action. If we're not satisfied then we'll consider whether we need to close the fund and move existing investors to another fund choice.

## What happens if we decide to close a fund?

This isn't a decision we take lightly. And we'll only take it once the fund has been through our full review process.

We'll only close a fund when, in our view, it's in the best interests of investors to do so, to try and ensure the right customer outcome.

Before we close a fund, we'll write out to all impacted investors. We'll let them know what date we plan to close the fund and what fund we suggest as a good alternative. On the closure date, if a new fund has not been selected, we'll move their money into our suggested alternative fund.

# Quarterly review – the numbers

We've shown below a summary of the number of funds we've looked at in this review.

End June 2024	
Total number of funds being reviewed	<b>147</b>
How many of those did we decide to investigate further, but we're now happy with.	<b>1</b>
How many of those did we decide to investigate further, and now plan to close (see page 6 for a list of those funds)	<b>0</b>



The donut chart illustrates the status of the 147 funds reviewed. A large dark teal segment represents 146 funds that are not happy with the outcome. A small light green segment represents 1 fund that is happy with the outcome. There is no yellow segment, indicating that no funds are planned to be closed.

Total reviewed **147**  
Happy with **1**  
Plan to close **0**

# Quarterly review – results from our further investigations

You'll find in the table below, the outcome of our further investigations, where necessary, into funds that the initial review "flagged" to us.

We're happy with these now and we'll not be taking any further action. But we'll continue to monitor the funds as part of our quarterly checks.

When a fund is available as both a Life and Pension fund it only appears once in the table below.

Fund	Life Fund	Pension Fund	Reason for further investigation	Outcome
Schroder UK Smaller Companies		✓	Challenging performance period.	Following due diligence with the team, we became comfortable with the philosophy and process, and we have gained confidence that the manager has the capability to deliver long-term outperformance.

# Quarterly review – the funds we plan to close/ have already closed

And here is a list of the funds we've decided to close and when we are planning to do that. We'll write to people invested in these funds giving the exact details.

When a fund is available as both a Life and Individual Pension fund it only appears once in the table below.

Fund	Life Fund	Pension Fund	Previously added	Added this update	Reason	Actions: what we're doing next
						During this quarter we did not add any additional funds.

We hope this information has been useful. And remember, this will be available each quarter.

Detailed information on all our funds can be found at [pru.co.uk/funds](http://pru.co.uk/funds)

This includes fund prices, information and tools, as well as regularly updated factsheets and fund guides.

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

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