Unit Linked Quarterly Review
Life and Individual Pension Funds
31 December 2022
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

Up to date information on all our funds can be found at 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 Prudential advisers who can help. It’s called a restricted advice service. To find out more you can go 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.
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
   - rates of inflation
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 a close 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.
We've shown below a summary of the number of funds we've looked at in this review.

### End December 2022

<table>
<thead>
<tr>
<th>Description</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of funds being reviewed</td>
<td>183</td>
</tr>
<tr>
<td>How many of those did we decide to investigate further, but we’re now happy with.</td>
<td>3</td>
</tr>
<tr>
<td>How many of those did we decide to investigate further, and now plan to close (see page 6 for a list of those funds)</td>
<td>2</td>
</tr>
</tbody>
</table>

Quarterly review – the numbers

Total reviewed **183**
- Happy with **3**
- Plan to close **2**
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.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Life Fund</th>
<th>Pension Fund</th>
<th>Reason for further investigation</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aegon Ethical Fund</td>
<td>✔️</td>
<td></td>
<td>Concerns over the performance of the fund, especially during H1 2022.</td>
<td>We understand the reasons for the under-performance and retain our conviction in the fund being able to deliver suitable customer outcomes in the future when ethical stocks are no longer out of favour.</td>
</tr>
<tr>
<td>Invesco Managed Growth Fund</td>
<td>✔️</td>
<td>✔️</td>
<td>The upcoming retirement of the head of the multi asset team.</td>
<td>We retain our conviction in the fund being able to deliver suitable customer outcomes in the future.</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Life Fund</th>
<th>Pension Fund</th>
<th>Previously added</th>
<th>Added this update</th>
<th>Reason</th>
<th>Actions: what we’re doing next</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invesco Global Target Returns Fund</td>
<td>✔️</td>
<td>✔️</td>
<td></td>
<td></td>
<td>The fund was reviewed due to the upcoming retirement of the head of the multi asset team. We no longer have conviction in the fund’s ability to deliver good customer outcomes in the future.</td>
<td>The fund is to be closed and customers switched into an alternative fund.</td>
</tr>
</tbody>
</table>

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

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