



Bonus Declaration 2025

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2025 Bonus declaration overview

Paul Fidell

How have we done?

- Over the year to 31/12/24, The Prudential Assurance Company Limited (PAC) With-Profits Fund returned 6.1% (net of tax) and 7.3% (gross of tax). These figures are before plan charges and the effects of smoothing
- Each year, we base the rates we declare on historic fund performance. We take that performance and smooth some of the extreme highs and lows from across the years before deciding what bonus rates are, in our view, the fairest to pay out
- For most Unitised With-Profits Bond and Pension contracts, the typical year-on-year increase in policy values as a result of the bonuses declared will be in the range of 4.0% to 8.0%

Economic background

2024 was a year of positive performance and economic growth in an uncertain economic environment. Some key themes were:

- Continually changing interest rate expectations.
- Political uncertainty including the UK and US elections and ongoing military conflict in Ukraine and the Middle East.
- Strong equity performance in many markets, particularly the US and India. Notably, the AI boom pushed another year of large gains in technology stocks. Meanwhile bond markets, while mostly positive, were more muted.

Our With-Profits Fund invests in a wide range of globally diversified assets so was able to capture positive returns in some places and avoid difficulty in others. The Fund's performance has added to its already strong longer-term record, relative to its peers.

We'll continue to source and invest in assets that build diversification and help meet the objective of securing the highest total return for the Fund (after any tax and investment expenses) while maintaining an acceptable level of risk and protecting our customers. We'll also continue to consider our Environmental, Social and Governance aims as they apply to the Fund.

Relative performance

		Prudential With-Profits Fund Gross Return* (%)	Prudential With-Profits Fund Net Return** (%)	ABI Mixed Investment 20 - 60 Shares Sector Average – Pension Funds*** (%)	ABI UK Mixed Investment 20 - 60 Shares Sector Average – Life Funds*** (%)
1 yr. return		7.3%	6.1%	4.9%	3.8%
5 yr. return	Cumulative	25.4%	21.6%	9.8%	5.8%
	Annualised	4.6%	4.0%	1.9%	1.1%
10 yr. return	Cumulative	78.0%	64.7%	37.0%	28.0%
	Annualised	5.9%	5.1%	3.2%	2.5%

Source: Prudential, FE Analytics. All figures to 31 December 2024. These values are for the main asset pool in our With-Profit Sub-Fund, which is relevant to the vast majority of our customers.

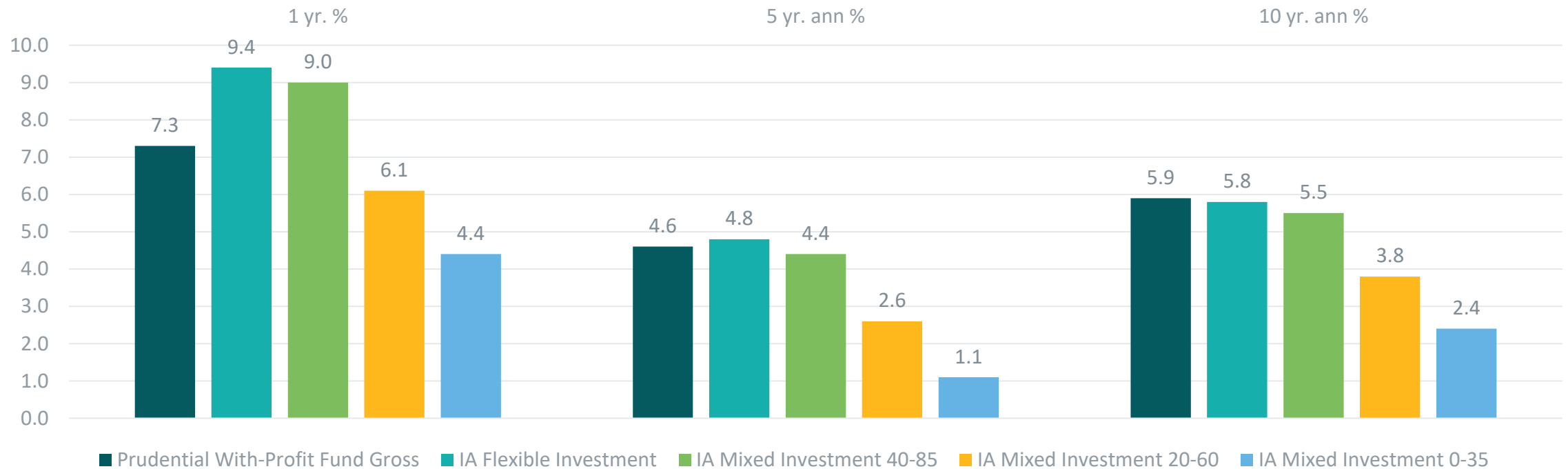
*With-Profits performance is gross of tax and before charges and the effects of smoothing.

**With-Profits performance is net of tax and before charges and the effects of smoothing.

*** ABI UK – Mixed Investment 20-60 Shares – The Association of British Insurers (ABI) has a classification system whereby the performance of funds that have similar asset allocations are grouped together to give an average performance figure. This is known as the sector average. It is important to note that some if not all of the Funds comprising this sector average will already have fund management charges deducted from their performance.

The value of investments can go down as well as up. Clients may not get back what they put in. Past performance is not a reliable indication of future performance.

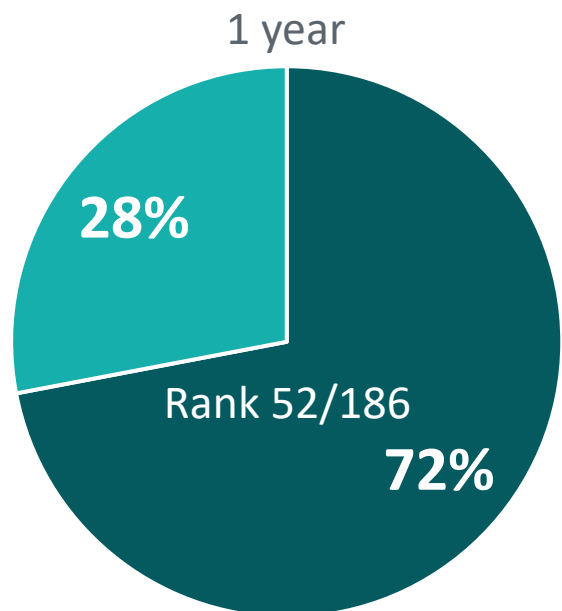
Relative performance



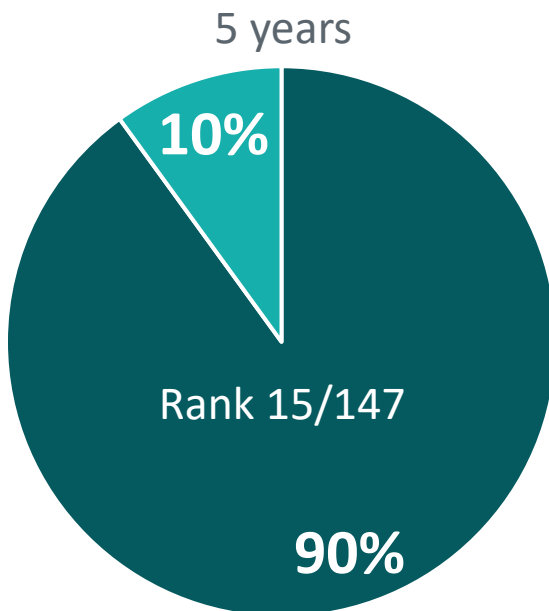
Source: Prudential, FE Analytics. All figures to 31 December 2024. These values are for the main asset pool in our With-Profit Sub-Fund, which is relevant to the vast majority of our customers. With-Profits performance is gross of tax and before charges and the effects of smoothing. It is important to note that some if not all of the Funds comprising the IA sector averages will already have fund management charges deducted from their performance.

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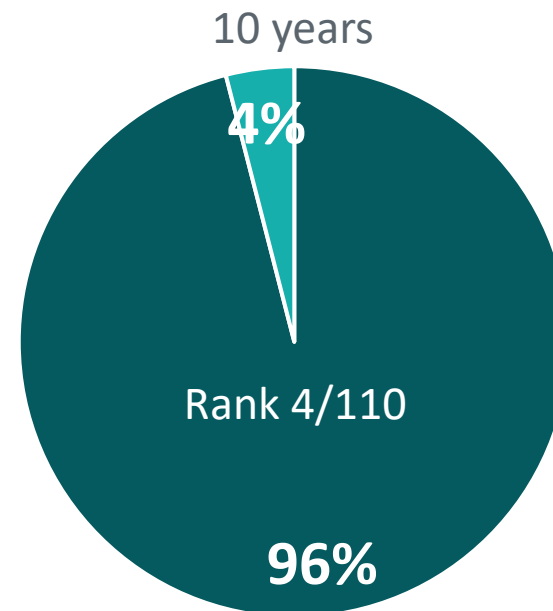
Relative performance



■ Higher than sector ■ Lower than sector



■ Higher than sector ■ Lower than sector

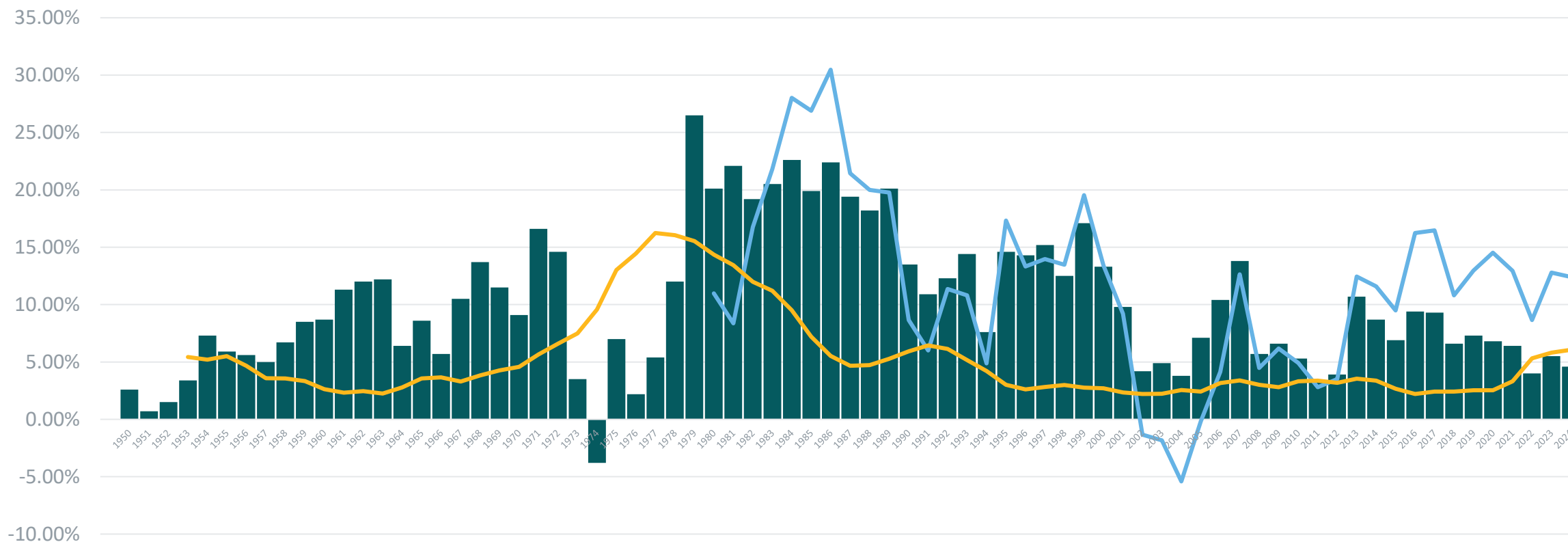


■ Higher than sector ■ Lower than sector ■

Source: Prudential calculations based on data from FE Analytics. Charts show how cumulative return for Prudential With Profit Fund compares to funds in the IA Mixed Investment 20-60 Shares sector. Figures show the percentage of funds in the sector where the Prudential With Profit Fund return is higher or lower and the effective ranking position. The 1-year return for the Prudential With Profit Fund is higher than 51 out of 186 funds, so higher than 72% of all funds; the 5-year return is higher than 14 out of 147 funds, so higher than 90% of all funds and the 10-year return is higher than 3 out of 110 funds, so higher than 96% of all funds. Periods shown end 31 Dec 2024.

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Historic annualised returns – 5 years



Source: Prudential. All figures to 31 December 2024. With-Profits performance is gross of tax, charges and the effects of smoothing. Blue line represents rolling 5-year return to 31st December for MSCI World Index GTR in Sterling (source: FE Analytics). Orange line represents rolling 5-year UK RPI figure (source up to 1991, www.statisticsauthority.gov.uk, from 1992 onwards source is FE Analytics).

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Financial strength – as at February 2025

	Standard & Poor's	AKG
M&G (Prudential)	A+ (stable)	5/5
Legal & General ⁽¹⁾	AA- (stable)	4/5 ⁽²⁾
Aviva Life & Pensions UK Ltd	AA- (stable)	5/5 ⁽³⁾
Phoenix	Not rated	4/5 ⁽⁴⁾
Scottish Equitable (AEGON)	A+ (stable)	4/5
Scottish Widows Ltd	W/D ⁽⁵⁾	4/5

⁽¹⁾ Transferred the traditional insurance-based savings, pensions, life and with profits business to ReAssure on 07/09/2020.

⁽²⁾ Rating for Legal and General, now under ReAssure Ltd, have a rating of 4/5 for all LG funds.

⁽³⁾ Rating for Aviva Life & Pensions UK Ltd With-Profits Sub Fund: Main part (other ratings vary between 3 and 5 out of 5).

⁽⁴⁾ Rating for former Standard Life Assurance Ltd (now Phoenix Life Ltd) Heritage With Profits Fund : With Profits Bond (other Phoenix Life Ltd ratings vary between 1 and 5 out of 5).

⁽⁵⁾ Have decided to withdraw their rating from being publicly shown.

Source:

Standard & Poor's as at February 2025

AKG Financial strength report December 2024 (With-Profits Financial Strength Rating)



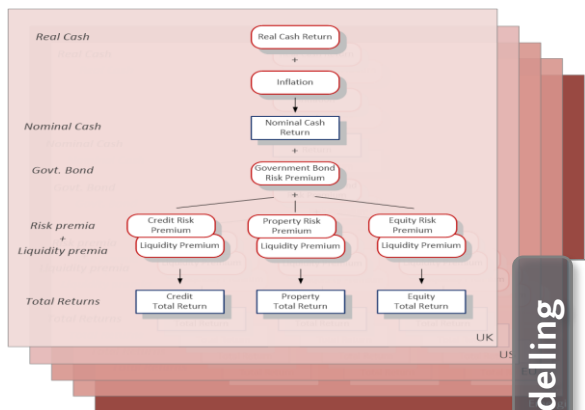
T&IO Performance and Outlook

Parit Jakhria

SAA setting process at a glance

Translating quantitative and qualitative research into implementable portfolios

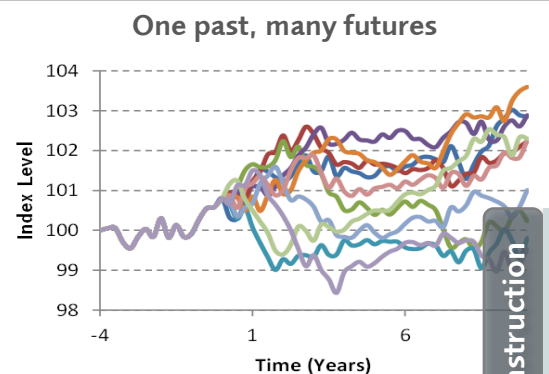
Capital Market Views



1. Capital Market Views and Thematic Research

- Historical capital market returns and analysis
- Bespoke ex-ante research and modelling
- Market insight internal/external research
- Quality position papers on new asset classes and thematic trends

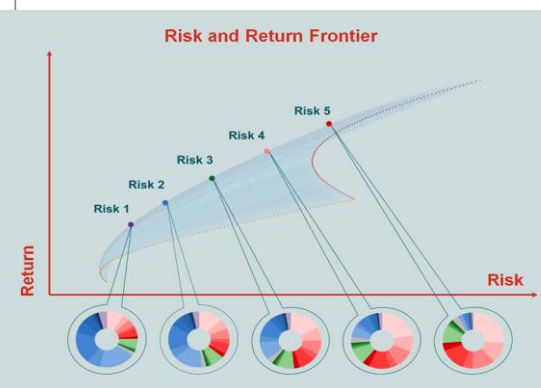
Scenario Modelling



2. Qualitative and Quantitative Scenarios

- One realised past but many potential futures
- Combination of quantitative and qualitative methods
- In-house tools and knowledge acquired over many years

Portfolio Construction



3. Portfolio Construction

Construct a bespoke portfolio to allow for:

- Risk Appetite
- Liquidity needs
- Cost constraints, regulations, etc.

4. SAA

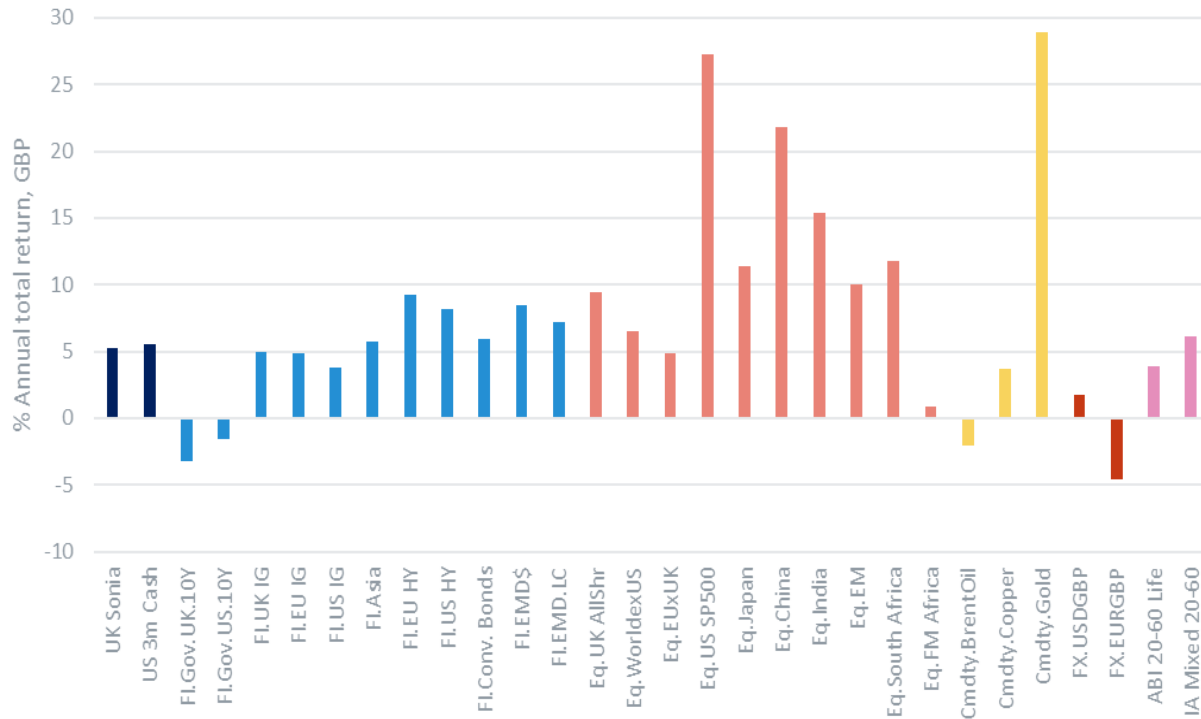
- Leads to a return optimised portfolio, diversified across asset classes and geographies
- Tried-and-tested framework with proven track record

SAA

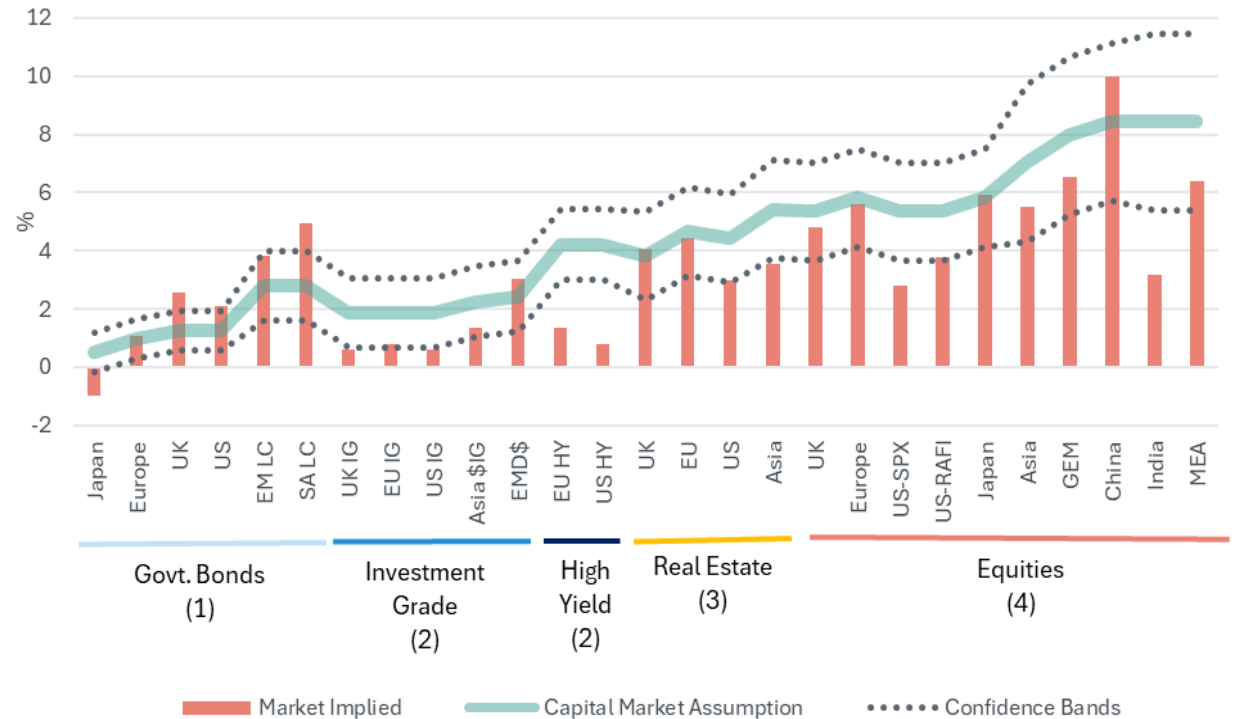


2024 – Resilience amid uncertainty

A solid year for capital markets



Risk premia compression in 2024



Note for the right-hand chart: Red bars represent the level of valuations implied by current market pricing.

Our valuation metrics differ by asset class: (1) Government bond real yields (nominal yields adjusted for expected inflation) (2) Credit risk premium

(credit spread over bonds, net of assumed defaults) (3) Property risk premium (rental yields less government bond yields)

(4) Equity risk premium (Equity required return minus government bond yield)

Medium term themes

Global fiscal risks – on borrowed time?

Economies face growing fiscal burden as global debt levels projected to rise

Role of Emerging markets in multi-asset portfolios

Growth potential and diversification benefits

Trump 2.0: cultivate or challenge US exceptionalism?

Geopolitical instability demands agility for a wider range of scenarios.

Global fiscal risks: on borrowed time?

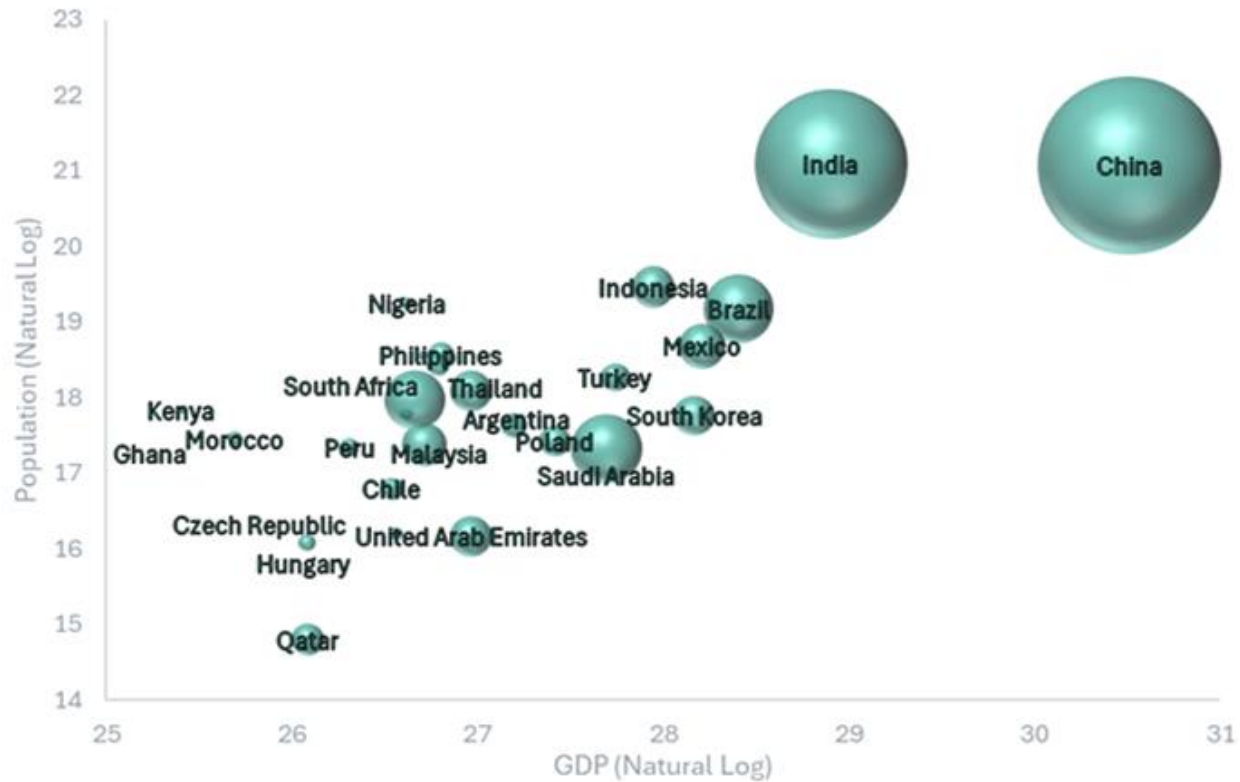
Global public debt exceeded \$100 trillion in 2024 and is projected to reach 100% of global GDP by 2030, with US and China contributing significantly to the increase. Meanwhile, a steady acceptance of fiscal spending in political discourse has been documented and measures of fiscal policy uncertainty have increased.



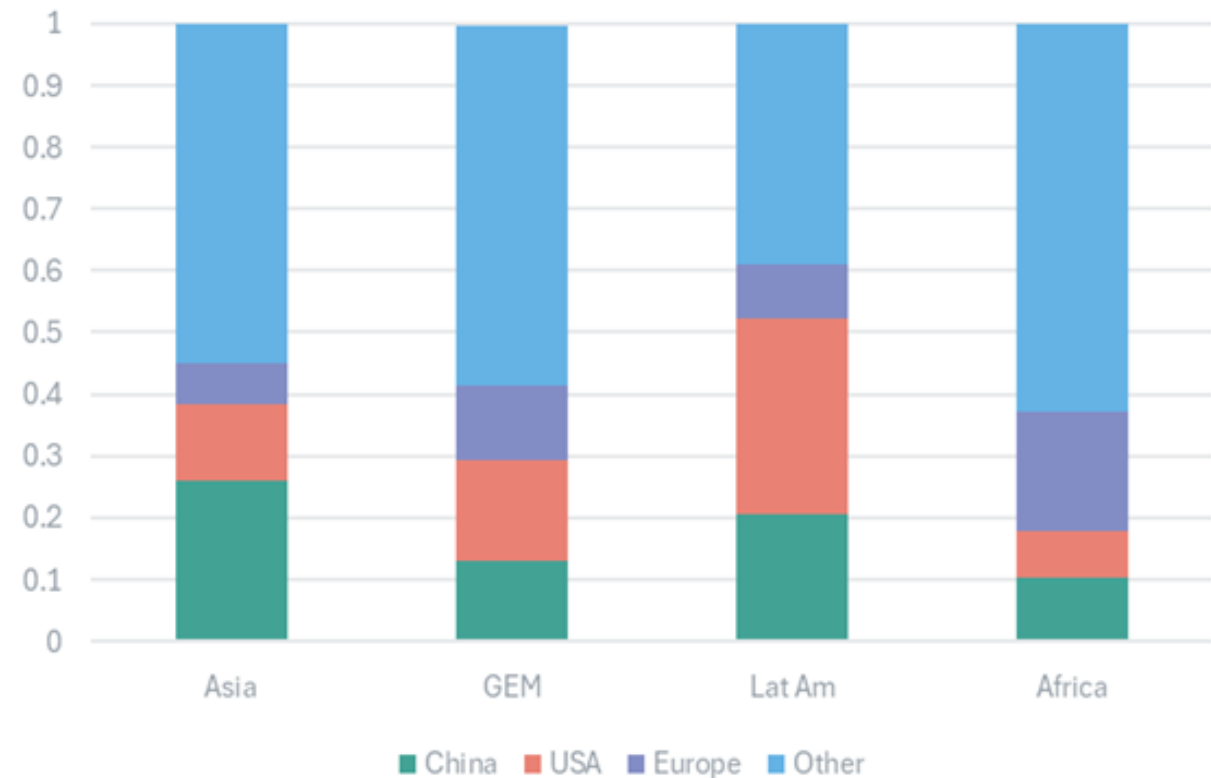
Role of Emerging markets in multi-asset portfolios

Emerging Markets, holding 85% of the global population, are expected to drive future population growth. Higher fertility rates and life expectancy improvements contribute to this growth, which positively impacts economic performance

Market capitalisation in relation to population and size of economy



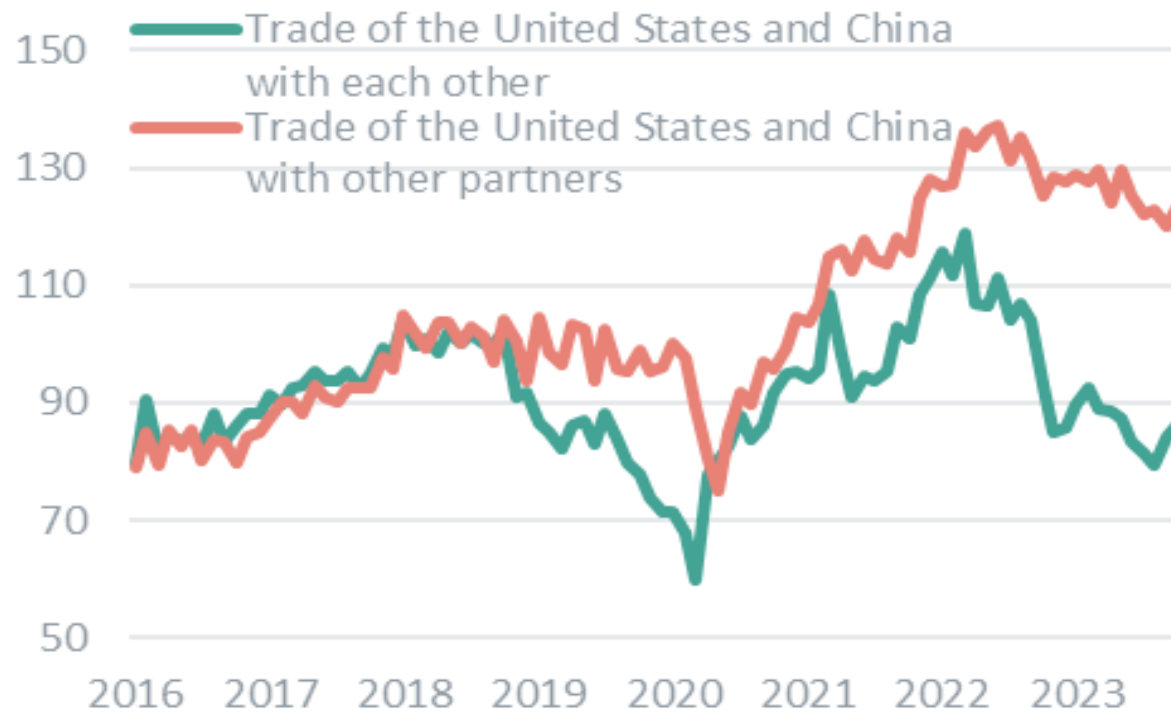
Geographic split Emerging Market export destinations



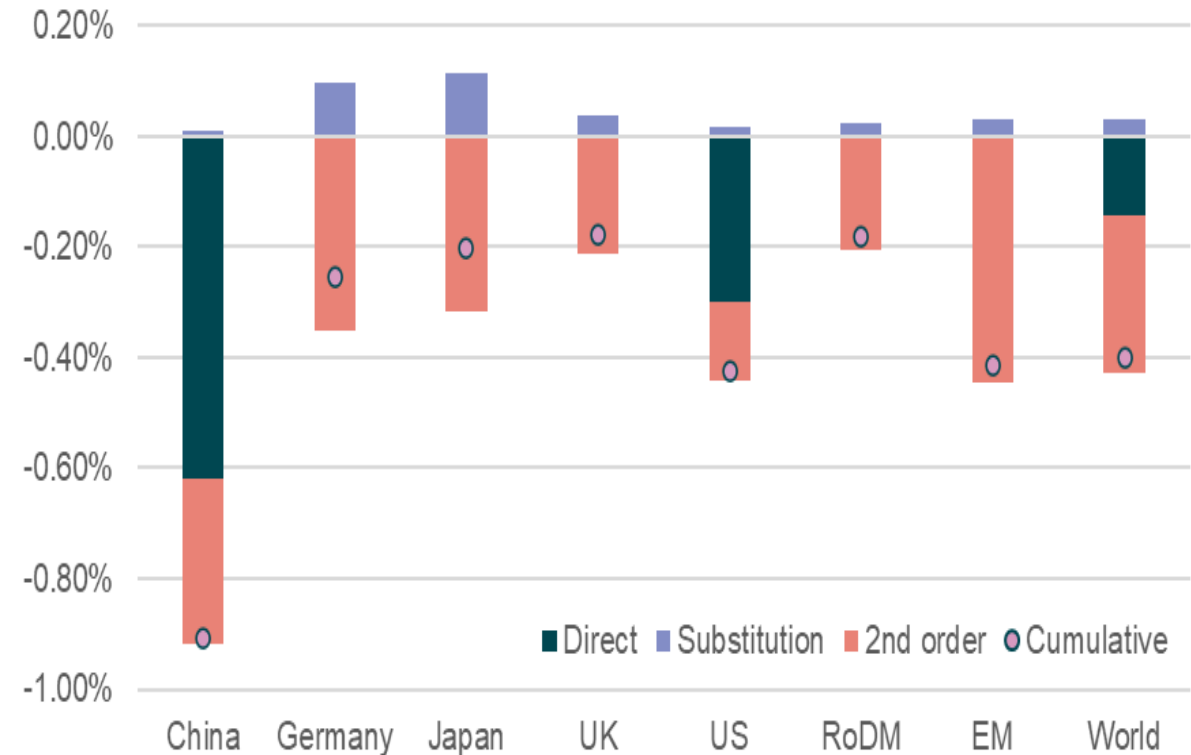
Trump 2.0: cultivate or challenge US exceptionalism?

Whilst decoupling between US and China is more noticeable, signs of trade fragmentation has been surfacing between “blocks” defined by geopolitical ideologies.

Trade between the US and China and with other partners



Estimated GDP impact of bi-lateral 25% tariff increase between US & China



Source: IMF (left chart), Datastream (right chart, as of November 2024).

Risks and Opportunities: what to watch out for in 2025

- Effect of US tariffs
- China – what next?
- Geopolitical risks – continue to be elevated
- Geopolitical risks – the risk from the far-right in Europe
- AI – will the AI wave finally broaden?
- Climate risk – what next, will 1.5 be breached?



T&IO Investment implications

Key Investment implications

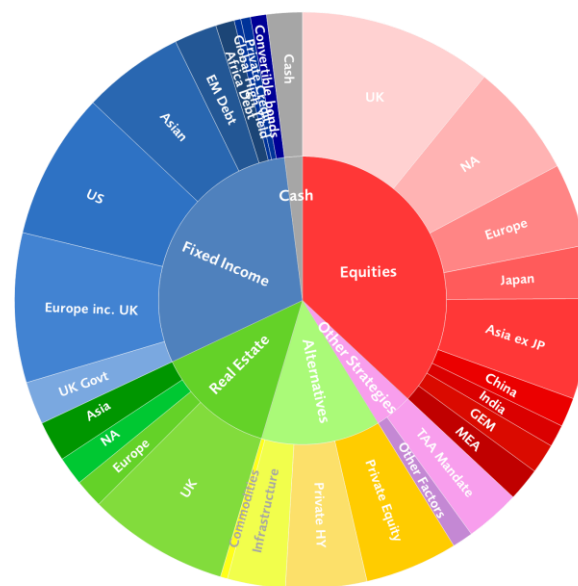
Diversification remains key to ensure robustness

Inflation not extinct – Real asset exposure valuable

Orthogonal factors to enhance fund returns

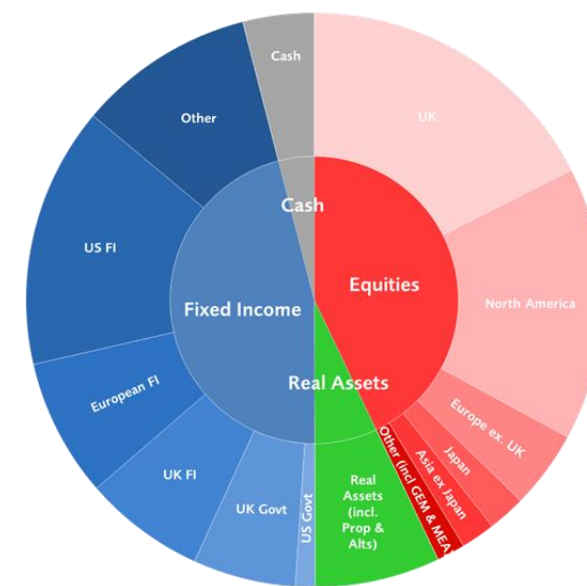
Fading competition from Cash

With-profits SAA



As at Dec 2024.
Source: 2024 Day 1 SAA, LTIS.

Peer group SAA



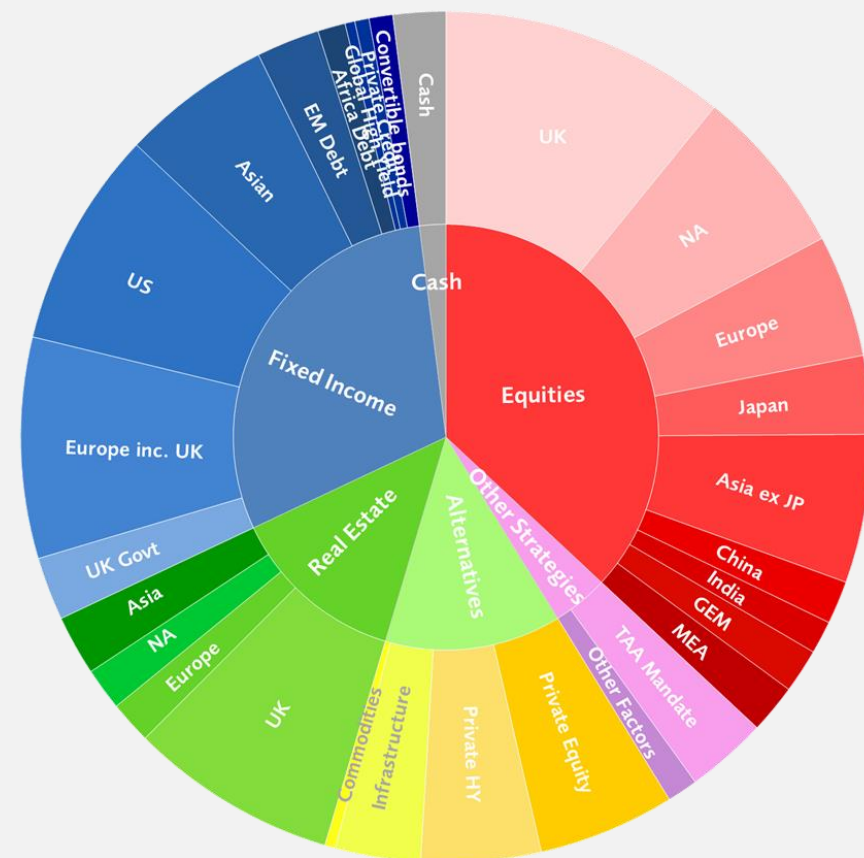
As at 30/09/2024.
Source: Financial Express.

With-profits main asset share fund (“OBMG”) Strategic Asset Allocation

2024 Strategic Asset Allocation (Risk reduction)

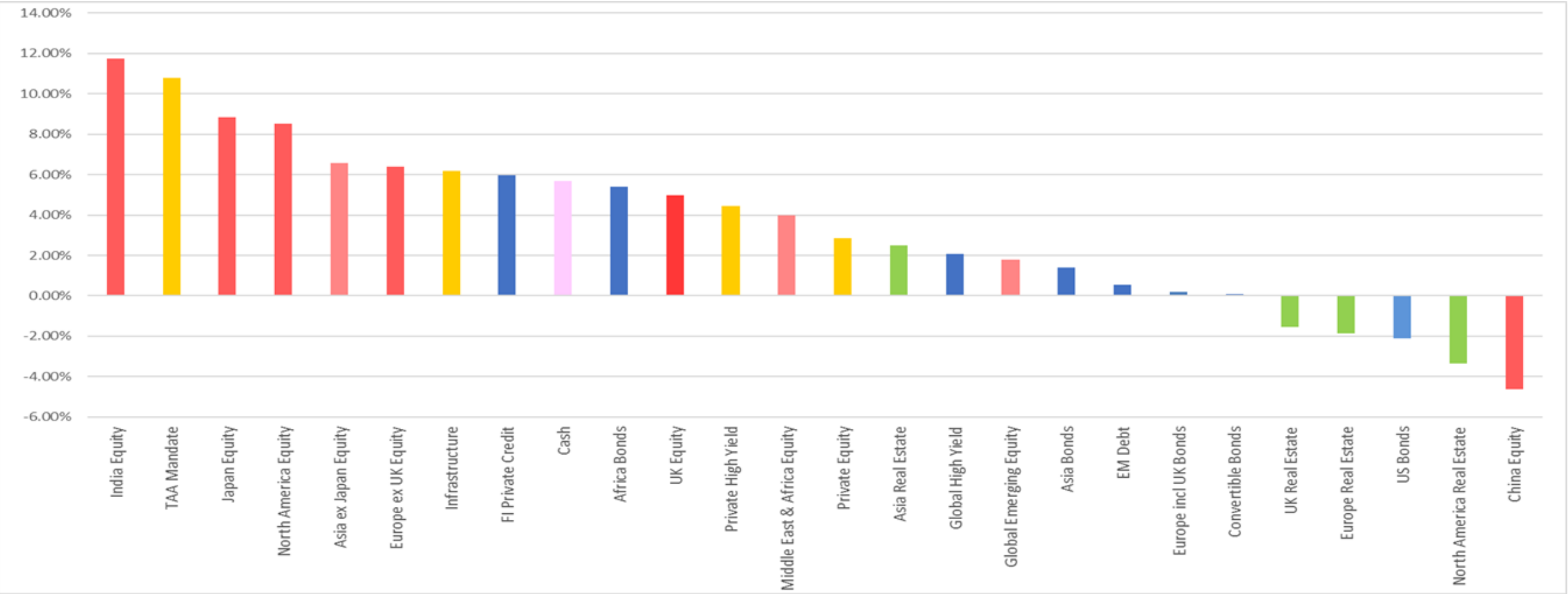
- The pie chart shows the 2024 SAA for the With-Profits main asset share fund.
- The Q4 2023 SAA review (effective 1st Nov 2023) allowed for significant tightening over the prior 18 months, resulting in a meaningful rebalancing of fixed income levels relative to equities
- Since then (as at the SAA review in May 2024), inflation abated but remained more stubborn compared to market expectations. Bond yields, having initially priced in aggressive easing and declined, returned to broadly the same levels in November 2023. Credit spreads further tightened and Equity markets on average climbed higher.
- As a result, the 2024 SAA had a broadly similar shape from a Level 1 (asset class) perspective and focused on the Level 2 (sub-asset class) adjustments. Within **Fixed income** there was a recalibration back into November 2023 levels. For **Equities**, there was some profit taking and rotation into regions that offered more value. For **Real assets**, there was a rotation from Real Estate into Private Equity and Private High yield.
- A few Level 3 (benchmark) changes were also recommended (including an increase in US Treasuries)

OBMG SAA 2024



With-profits main asset share performance in a post COVID environment

The fund's allocation and diversification played a critical role post-covid (Dec-2021 to Dec-2024)



The graph illustrates the benefit of a diversified asset allocation in adverse market conditions. Equities (with the exception of Chinese), Alternative Assets, some Fixed income assets offset the low or negative returns experienced in Real Estate and Chinese Equity assets over the 3 years to end 2024.

Source: M&G Performance as at 31/12/2024. US and European bond , EM Debt and Convertible sleeves are hedged and show hedged returns. Returns shown are annualised



2025 Bonus declaration - product level returns

Paul Fidell

How does all this translate for customer returns?

- In 2024 concerns over interest rate expectations continued as geopolitics and ongoing military conflict dominated the news. Overall, many markets saw growth in an unpredictable environment.
- Our With-Profits customers have benefitted from investing in a large, multi-asset, globally diversified fund during this period, with our fund managers seeking out opportunities across a wide range of different asset types. A positive return of 7.3% (gross of tax) was achieved before charges and the effects of smoothing*.
- Customers have also benefitted from the application of smoothing to provide a more stable return from year-to-year.
- We'll continue our long-term investment approach, which aims to secure the highest return for the Fund (after tax and any investment expenses) whilst maintaining an acceptable level of risk and protecting our customers. We also use our bonus process to smooth some of the highs and lows of investment performance.

*This describes the main asset pool in our With-Profits Sub-Fund, which is relevant to the vast majority of our customers.

How does all this translate for customer returns?

So, we're pleased that in 2025:

- For all of our customers, we're keeping Annual Bonus rates at the same level as last year, which will continue to add to the guaranteed benefits of our customers' Plans.
- Most of our customers will benefit from increases in Final Bonus rates and therefore the value of their Plans. Final Bonus may vary and isn't guaranteed.



2025 Bonus declaration – onshore bonds

Regular Bonus rates

Flexible Investment Plan

	Regular bonus rate %		New money rate* %	
	2025	2024	2025	2024
Optimum Return Fund (Initial charge option)	2.25	2.25	5.00	5.05
Optimum Return Fund (No initial charge option)	2.25	2.25	4.70	4.75
Optimum Bonus Fund (Initial charge option)	2.75	2.75	4.60	4.80
Optimum Bonus Fund (No initial charge option)	2.75	2.75	4.30	4.50

* The new money rate represents the overall yield, made up of Regular and Final Bonuses that will apply to new money invested on or after 1 March 2024 until bonuses are next declared.

How does all this translate for customer returns?

10 year Bond (Flexible Investment Plan – FIP) performance relative to alternative investment products (based on a single premium of £10,000)

	Total pay out	Annualised return
Prudential With-Profits Bond (FIP)	£15,834	4.7%
Average mixed investment 20-60 shares unit trust *	£14,350	3.7%
Average mixed investment 20-60 shares unit-linked life fund **	£12,435	2.2%

* IA Mixed investment 20-60 shares unit trust. ** ABI Mixed Investment 20-60 shares UK life fund. The unit trust values and unit-linked life fund values use actual returns from 1 May in the relevant year through to 31 December 2024 and are then projected through to 1 May 2025 at 6.5 per annum net. FIP is Initial Charge version, Optimum Return Fund

Source: Prudential's Bonus Declaration – February 2025. All figures are as at 1 May 2025 and after tax and charges.

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Year on year changes – Bonds (FIP)

Typical increases in plan values over previous 12 months based on a single premium of £10,000

Plan taken out in	Duration	Value in 2025	Value in 2024	Year on year increase in value ⁽¹⁾	
				£	return over the year %
2020	5	£12,844	£12,178	£666	5.5
2018	7	£13,245	£12,588	£657	5.2
2015	10	£15,834	£15,006	£828	5.5
2010	15	£21,935	£20,630	£1,305	6.3
2005	20	£27,493	£26,092	£1,401	5.4

Based on FIP, Optimum Return Fund, initial charge option

(1) Before deducting any surrender charge or MVR that may apply

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2025 Bonus declaration – offshore bonds

Fund returns and asset allocations

Fund return	Sterling (%)	Euro (%)	Dollar (%)
2024	7.3	9.2	6.0

Asset allocation – 31 Dec 2024	GBP sub fund (%)	Euro sub fund (%)	Dollar sub fund (%)
UK Equities	10.1 (11.8)	4.8 (5.0)	4.2 (4.7)
Overseas Equities	26.9 (26.9)	33.5 (34.5)	32.1 (33.6)
Property	13.2 (13.4)	11.3 (11.8)	11.6 (11.0)
Alternative Assets	15.0 (12.5)	10.0 (8.6)	11.0 (8.8)
Corporate Bonds	29.8 (30.4)	35.5 (35.3)	35.8 (37.2)
Cash	5.0 (5.0)	4.9 (4.8)	5.3 (4.7)

Source: Prudential. Figures for year ended 31 Dec 2024 are shown in brackets. The “Alternative Assets” category includes non-listed equities, investments in specialist vehicles and private assets which give an exposure similar to those of the listed equity markets.

Regular Bonus rates

International Prudence Bond

	Regular bonus rate %		New money rate* %	
	2025	2024	2025	2024
Sterling With-Profits	1.75	1.75	6.35	6.60
Euro With-Profits	1.25	1.25	5.35	5.70
Dollar With-Profits	1.25	1.25	6.15	6.55

* The new money rate represents the overall yield, made up of Regular and Final Bonuses that will apply to new money invested on or after 1 March 2025 until bonuses are next declared.

Year on year changes – Offshore Bonds (IPB or PIIB)

Plans taken out in March 2002

	Single Premium	Value in 2025	Year on year increase in value	return over the year %
Sterling With-Profits	£100,000	£377,963	£21,938	6.21
Euro With-Profits	€150,000	€403,953	€25,858	6.84

Plans taken out in March 2003

	Single Premium	Value in 2025	Year on year increase in value	return over the year %
US Dollar With-Profits (launched Dec 2002)	\$150,000	\$411,318	\$15,298	3.86

Based on IPB, International Prudence Bond, Investment date 1 Mar for the year shown. Figures shown are before deducting any MVR or discontinuance charge that may apply and assume no withdrawals.

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2025 Bonus declaration – personal pensions

How does all this translate for customer returns?

20 year Prudential Personal Pension performance relative to alternative investment products (based on a monthly premium of £200 and retiring on 1 May 2025)

	Total pay out	Annualised return
Prudential With-Profits Individual Pension	£87,646	6.1%
Average mixed investment 20-60 shares unit trust *	£75,619	4.3%
Average mixed investment 20-60 shares unit-linked pension fund **	£71,999	3.9%

* IA Mixed investment 20-60 shares unit trust. ** ABI Mixed Investment 20-60 shares UK pension fund. The unit trust values and unit-linked pension fund values use actual returns from 1 May in the relevant year through to 31 December 2024 and are then projected through to 1 May 2025 at 7.6% per annum gross. **FRP only available since Aug 2005.**

Source: Prudential's Bonus Declaration – February 2025. All figures are as at 1 May 2025 and after charges.

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Year on year changes – Prudential Personal Pension

Typical increases in plan values over previous 12 months based on a regular premium of £200 per month

Plan taken out in	Duration	Value in 2025	Value in 2024	Year on year increase in value	
				£	return over the year * %
2020**	5	£13,908	£10,787	£3,121	5.9
2015**	10	£30,718	£26,681	£4,037	5.8
2010**	15	£55,371	£49,841	£5,530	6.1
2005***	20	£87,646	£80,166	£7,480	6.2

Values shown are before any surrender charge or MVR that may apply

*After allowing for premiums paid during the year ** Figures shown here are for Flexible Retirement Plan (FRP) as ex-SAL personal pensions were no longer available at this date

*** Figures shown here are for PAC branded products as ex-SAL personal pensions were no longer available at this date

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2025 Bonus declaration – Trustee Investment Plan

Trustee Investment Plan

Currency Date	Claim Date ⁽¹⁾	Claim Value	Overall Yield ⁽²⁾
01/04/2020	01/04/2025	£137,338	6.5%
01/04/2019	01/04/2024	£123,212	4.3%
01/04/2018	01/04/2023	£122,383	4.1%
01/04/2017	01/04/2022	£126,759	4.9%
01/04/2016	01/04/2021	£122,768	4.2%
01/04/2015	01/04/2020	£137,398	6.6%
01/04/2014	01/04/2019	£127,029	4.9%
01/04/2013	01/04/2018	£134,075	6.0%

(1) Claim value after a 5-year investment period as no set term applies

(2) Per year compound

Values shown are after MVR where applicable, (i.e. on plans with start dates from 7/11/11 onwards), and are based on charges and Terms and Conditions applicable at commencement date.

Assumptions: initial investment of £100,000, 5-year term (where applicable), no commission / adviser charges.



2025 Bonus declaration - annuities

With-Profit Annuity

	Regular Bonus Rate	
	2025	2024
With-Profit Pension Annuity	1.75	1.75

With-Profit Annuity

Bonus year of entry	Duration	2025 Additional Bonus Rates	2024 Additional Bonus Rates	2025 Average yearly increase in income since purchase
1991/92	34	349.00	327.00	7.7
1992/93	33	389.00	364.00	7.9
1993/94	32	259.00	241.00	6.9
1994/95	31	298.00	278.00	7.2
1995/96	30	264.00	246.00	6.8
1996/97	29	254.00	236.00	6.7
1997/98	28	213.00	198.00	6.2
1998/99	27	199.00	185.00	6.0
1999/00	26	192.00	178.00	5.9
2000/01	25	165.00	152.00	5.5
2001/02	24	183.00	169.00	5.9
2002/03	23	229.00	212.00	6.6
2003/04	22	230.00	213.00	6.8
2004/05	21	191.00	177.00	6.4
2005/06	20	159.00	146.00	5.9
2006/07	19	127.00	116.00	5.4
2007/08	18	121.00	110.00	5.3
2008/09	17	154.00	142.00	6.4
2009/10	15	199.00	185.00	7.7

Prudential's With-Profits Pension Annuity closed to new business on 31st December 2009.

This assumes the policy has taken 0 Anticipated Bonus Rate (ABR) Past performance is not a reliable indication of future performance.

Income Choice Annuity returns

Effective Date	Anniversary																
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th
9/3/09 to 5/4/09	7.10%	8.50%	9.00%	7.00%	6.00%	8.00%	8.50%	5.00%	10.00%	12.00%	2.50%	17.50%	5.00%	19.00%	2.00%	6.50%	8.00%
6/4/09 to 5/4/10	7.10%	7.10%	6.50%	5.00%	7.50%	8.50%	5.00%	9.00%	11.00%	1.00%	15.50%	4.00%	19.00%	2.00%	6.00%	7.50%	-
6/4/10 to 5/4/11	6.50%	4.50%	4.50%	6.50%	7.00%	4.00%	8.00%	11.00%	1.00%	13.00%	2.50%	15.00%	2.00%	6.00%	7.50%	-	-
6/4/11 to 5/4/12	6.00%	4.50%	6.50%	7.00%	4.00%	8.00%	11.00%	1.00%	13.00%	2.50%	15.00%	2.00%	6.50%	8.00%	-	-	-
6/4/12 to 5/4/13	6.00%	6.50%	6.50%	3.50%	8.00%	11.00%	1.50%	13.00%	2.50%	14.50%	2.00%	6.00%	7.50%	-	-	-	-
6/4/13 to 5/4/14	6.00%	6.00%	3.00%	8.00%	11.00%	1.50%	13.00%	2.50%	14.50%	1.00%	6.00%	7.50%	-	-	-	-	-
6/4/14 to 5/4/15	5.00%	2.50%	7.00%	9.50%	1.50%	13.00%	2.00%	14.50%	1.00%	5.00%	7.50%	-	-	-	-	-	-
6/4/15 to 5/4/16	5.00%	6.00%	8.00%	1.00%	12.50%	2.00%	14.00%	1.00%	5.50%	7.00%	-	-	-	-	-	-	-
6/4/16 to 5/4/17	6.00%	8.00%	1.00%	12.50%	2.00%	14.00%	1.00%	6.00%	7.50%	-	-	-	-	-	-	-	-
6/4/17 to 5/4/18	6.00%	1.00%	6.50%	0.50%	10.00%	1.00%	6.00%	7.50%	-	-	-	-	-	-	-	-	-
6/4/18 to 5/4/19	4.50%	6.50%	0.50%	10.00%	1.00%	5.50%	7.00%	-	-	-	-	-	-	-	-	-	-
6/4/19 to 5/4/20	4.50%	0.50%	10.00%	1.00%	6.00%	7.50%	-	-	-	-	-	-	-	-	-	-	-
6/4/20 to 5/4/21	4.50%	10.00%	1.00%	6.00%	7.50%	-	-	-	-	-	-	-	-	-	-	-	-
6/4/21 to 5/4/22	9.00%	1.00%	6.00%	7.50%	-	-	-	-	-	-	-	-	-	-	-	-	-
6/4/22 to 5/4/23	4.50%	6.00%	7.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6/4/23 to 5/4/24	6.00%	7.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6/4/24 to 5/4/25	7.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Past performance is not a reliable indicator of future performance. 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 customer's 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. Source: Prudential

The value of investments can go down as well as up. Clients may not get back what they put in. Past performance is not a reliable indication of future performance.

Income Choice Annuity – year on year increases in payment

Year of announcement - 2025	Required Smoothed Return (RSR)	
	MIN	MAX
Effective date of annuity		
09 March 2009 to 05 April 2009	6.9	1.9
06 April 2009 to 05 April 2010	6.4	1.4
06 April 2010 to 05 April 2011	6.4	1.4
06 April 2011 to 05 April 2012	6.9	1.9
06 April 2012 to 05 April 2013	6.4	1.4
06 April 2013 to 05 April 2014	7.5	2.4
06 April 2014 to 05 April 2015	7.5	2.4
06 April 2015 to 05 April 2016	7.0	1.9
06 April 2016 to 05 April 2017	7.5	2.9
06 April 2017 to 05 April 2018	7.5	2.9
06 April 2018 to 05 April 2019	7.0	2.4
06 April 2019 to 05 April 2020	7.5	2.9
06 April 2020 to 05 April 2021	7.5	2.9
06 April 2021 to 05 April 2022	7.5	2.9
06 April 2022 to 05 April 2023	7.5	2.9
06 April 2023 to 05 April 2024	7.5	2.9
06 April 2024 to 05 April 2025	7.5	2.9

Note that from 06 April 2013 onwards, the **minimum RSR** was changed to be 0, and so figures from this time onwards are calculated at 0 RSR. Prior to this the **minimum RSR** was 1, and so the figures up to 05 April 2013 are calculated at 1 RSR. Note that from 06 April 2016, the maximum RSR was changed to be 4.5, and so figures from this time onwards are calculated at 4.5 RSR. From 06 April 2013 to 05 April 2016, the maximum RSR was 5, and so figures in this time period are calculated at 5 RSR. Prior to this the maximum RSR was 6, and so the figures up to 05 April 2013 are calculated at 6 RSR.

The value of investments can go down as well as up. Clients may not get back what they put in. Past performance is not a reliable indication of future performance.

Past performance – Income Choice Annuity average yearly increases in annuity payments since purchase

Year of announcement - 2025	Required Smoothed Return (RSR)	
	MIN	MAX
Effective date of annuity		
09 March 2009 to 05 April 2009	6.9	1.8
06 April 2009 to 05 April 2010	6.2	1.2
06 April 2010 to 05 April 2011	5.3	0.3
06 April 2011 to 05 April 2012	5.5	0.5
06 April 2012 to 05 April 2013	5.5	0.5
06 April 2013 to 05 April 2014	6.4	1.3
06 April 2014 to 05 April 2015	5.9	0.9
06 April 2015 to 05 April 2016	5.9	0.9
06 April 2016 to 05 April 2017	6.1	1.5
06 April 2017 to 05 April 2018	4.7	0.2
06 April 2018 to 05 April 2019	4.9	0.4
06 April 2019 to 05 April 2020	4.8	0.3
06 April 2020 to 05 April 2021	4.8	0.3
06 April 2021 to 05 April 2022	5.8	1.3
06 April 2022 to 05 April 2023	6.0	1.4
06 April 2023 to 05 April 2024	6.7	2.2
06 April 2024 to 06 April 2025	7.5	2.9

Note that from 06 April 2013 onwards, the **minimum RSR** was changed to be 0, and so figures from this time onwards are calculated at 0 RSR. Prior to this the **minimum RSR** was 1, and so the figures up to 05 April 2013 are calculated at 1 RSR. Note that from 06 April 2016, the **maximum RSR** was changed to be 4.5, and so figures from this time onwards are calculated at 4.5 RSR. From 06 April 2013 to 05 April 2016, the **maximum RSR** was 5, and so figures in this time period are calculated at 5 RSR. Prior to this the **maximum RSR** was 6, and so the figures up to 05 April 2013 are calculated at 6 RSR.

Past performance is not a reliable indicator of future performance. The value of investments can go down as well as up. Clients may not get back what they put in.



Summary

Summary

Clive Bolton, Chief Executive Officer, M&G Life, said:

“The Prudential With-Profits Fund delivered a strong return in 2024 despite ongoing uncertainty due to political events, conflicts and higher interest rates. Our global diversification paid off as most of our fixed income and regional equity portfolios performed well and we saw positive returns from UK real estate.

Our careful, long-term investment approach keeps providing good customer outcomes and looks to protect those customers from short term adverse movements in markets.

The Fund is the biggest With-Profits fund in the UK, giving us the ability to continue to invest in a wide range of assets and companies. We will monitor markets and understand any opportunities or risks that emerge over 2025 to best position the Fund to deliver for our customers.”



PruFund Quarterly Update – Feb 2025



What we will cover

- Expected Growth Rates (EGRs)
- Unit Price Adjustments (UPAs)
- Market context
- PruFund performance



EGR decision

- Following the usual quarterly review; EGRs remain unchanged

Example EGRs

Product	Fund	EGR from 25 Feb 2025
Onshore Bond	PruFund Growth S2	6.00%
	PruFund Cautious S2	5.40%
ISA	PruFund Growth Pn ISA	7.30%
	PruFund Cautious Pn ISA	6.60%
Pension	PruFund Growth Pn Ser E	7.30%
	PruFund Cautious Pn Ser E	6.60%

Example EGRs

Product	Fund	EGR from 25 Feb 2025
ISA/Pension	PruFund Risk Managed 1	6.10%
	PruFund Risk Managed 2	6.50%
	PruFund Risk Managed 3	7.00%
	PruFund Risk Managed 4	7.40%
	PruFund Risk Managed 5	7.70%

Product	Fund	EGR from 25 Feb 2025
ISA/Pension	PruFund Planet 1	6.10%
	PruFund Planet 2	6.50%
	PruFund Planet 3	7.00%
	PruFund Planet 4	7.40%
	PruFund Planet 5	7.70%

Example EGRs

Product	Fund	EGR from 25 Feb 2025
Offshore Bond	PruFund Growth GBP Ser B	7.30%
	PruFund Cautious GBP Ser B	6.60%

Product	Fund	EGR from 25 Feb 2025
Offshore Bond	PruFund Growth EUR Ser B	6.60%
	PruFund Cautious EUR Ser B	5.70%

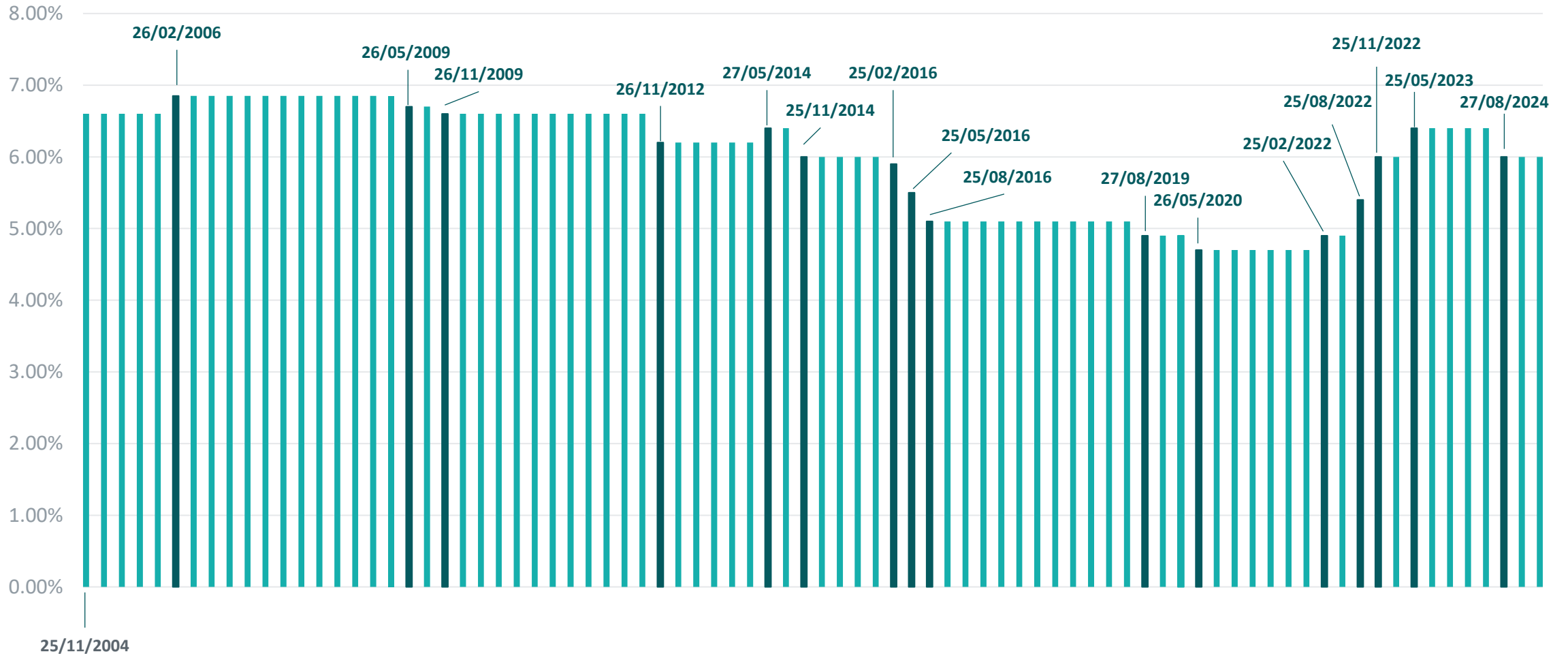
Product	Fund	EGR from 25 Feb 2025
Offshore Bond	PruFund Growth USD Ser B	7.20%
	PruFund Cautious USD Ser B	6.60%

A reminder of the EGR methodology

- The EGR is an estimate of the expected investment return over the long-term, at least 15 years
- Our in-house stochastic asset model is used to generate a distribution of possible future investment returns (having regard to the current asset mix in each fund) over a 15-year period
- It is preferable not to make frequent changes due to the long-term perspective

Preferable not to make frequent changes

16 changes of EGR over 82 individual quarterly review points



Source: <https://www.pruadviser.co.uk/funds/prufund-egr/pfip/> Chart shows EGRs for PruFund Growth Fund held within PruFund Investment Plan since launch 25 Nov 2004



Expectation vs reality

EGRs – expectation and reality

Investment date	PruFund Growth EGR at outset	PruFund Return after 10 years	ABI Mixed 20-60% Shares return after 10 years
25/11/2004	6.60%	6.64%	4.33%
25/11/2005	6.60%	6.21%	3.36%
25/11/2006	6.85%	5.74%	3.26%
25/11/2007	6.85%	5.56%	4.00%
25/11/2008	6.85%	7.64%	5.85%
25/11/2009	6.60%	7.20%	4.58%
25/11/2010	6.60%	6.21%	3.92%
25/11/2011	6.60%	6.64%	4.82%
25/11/2012	6.20%	6.61%	2.96%
25/11/2013	6.20%	6.03%	2.17%
25/11/2014	6.00%	6.13%	2.58%

Figures are for PruFund Growth Fund held within PruFund Investment Plan. The PruFund figures include any additional investment expenses, but not any fund management, product or advice charges, so the amount an investor would get back would be less than shown here. Past performance is not a reliable indicator of future performance. The value of an investment can go down as well as up. Source: Prudential and FE Analytics

Unit Price Adjustments (UPAs)

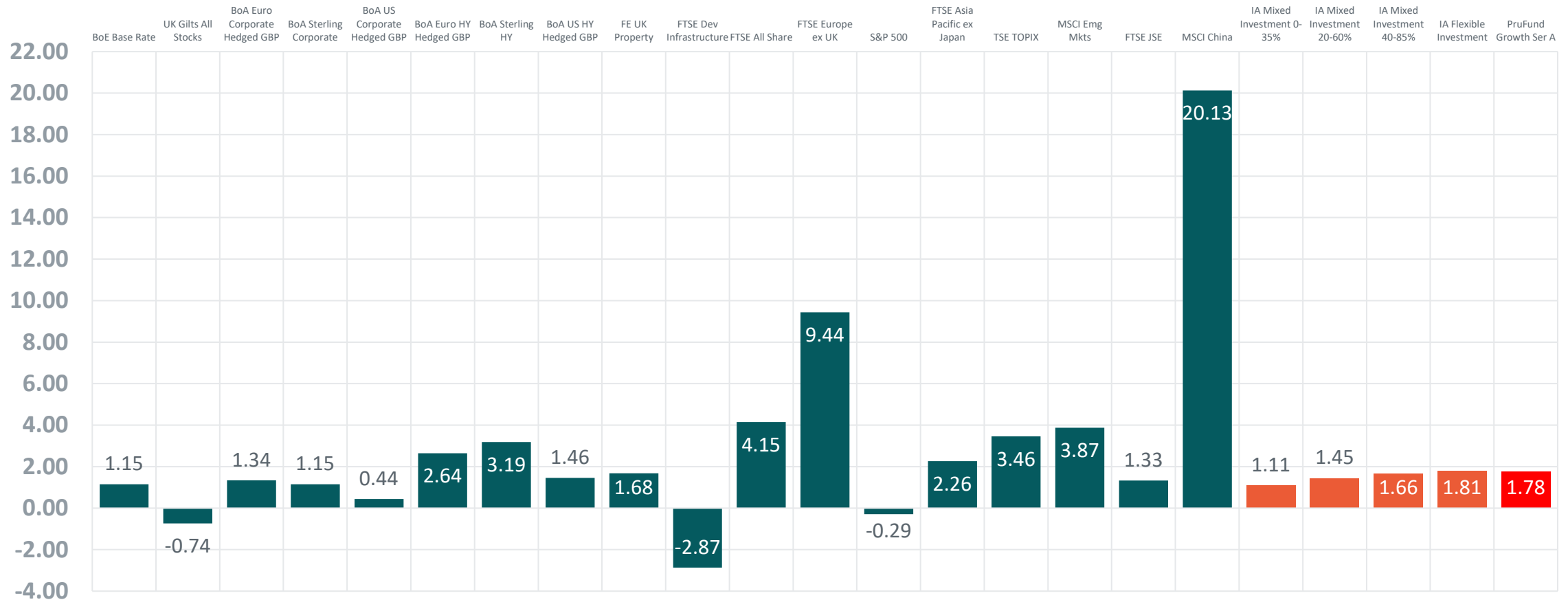
- UPAs reflect the actual past performance of each PruFund and the smoothing approach followed
- They are formulaic and non-discretionary
- For S2, Series A, Series B and Series D; there is a Daily Smoothing Limit and a Quarterly Smoothing Limit
- For Series C, E and F; there is a Daily Smoothing Limit and a Monthly Smoothing Limit
- There are no UPAs at this quarter date
- Full details at <https://www.mandg.com/pru/adviser/en-gb/funds/prufund-range>

Quarterly UPA checks

UPAs – a reminder of what's required

- To trigger a UPA for quarterly versions in Feb 2025 requires movement in unsmoothed fund to at least equal:
 - growth in Smoothed Price (SP) as a result of EGR, *plus*
 - sufficient movement to make up difference from USP/SP start position and upper/lower smoothing limit of 4%/5%

Performance of markets since 25 Nov 2024

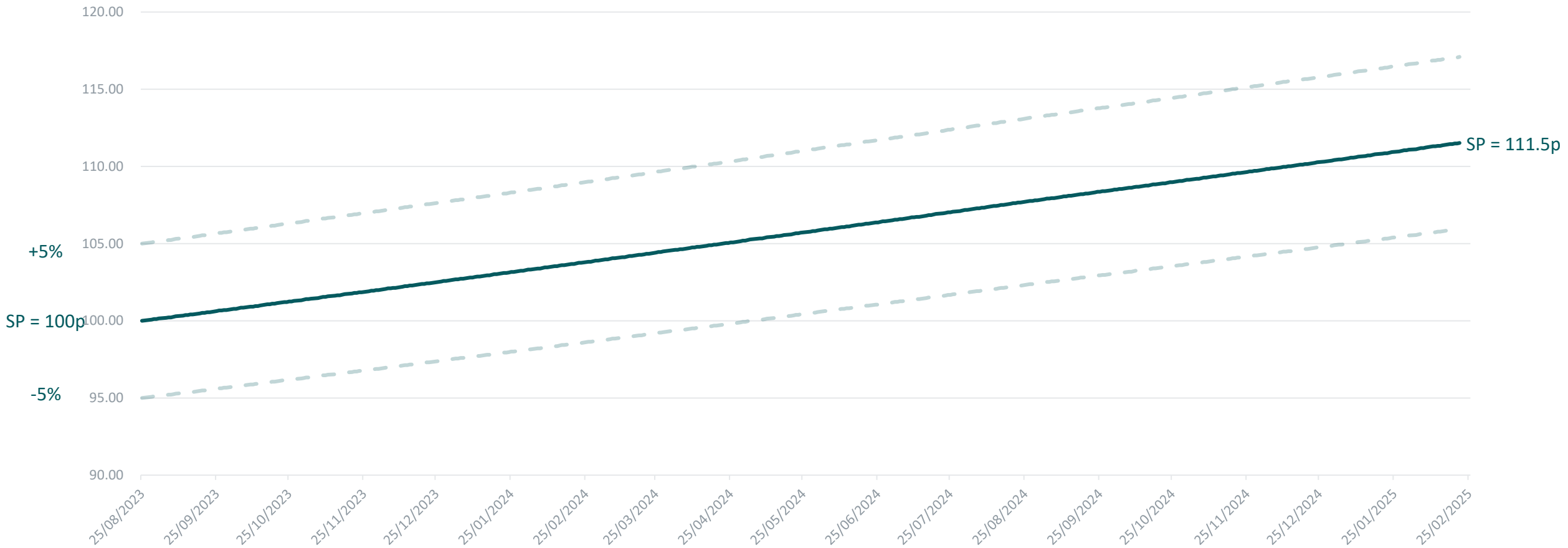


Performance of various indices in GBP over period from 25 Nov 2024 to 25 Feb 2025. The PruFund figure includes any additional investment expenses, but not any fund management, product or advice charges, so the amount an investor would get back would be less than shown here. Some, if not all, of the funds comprising the IA sector averages are net of fund charges. The value of an investment can go down as well as up. Your clients may get back less than they have paid in. Source: FE Analytics

UPAs – a reminder of what's required

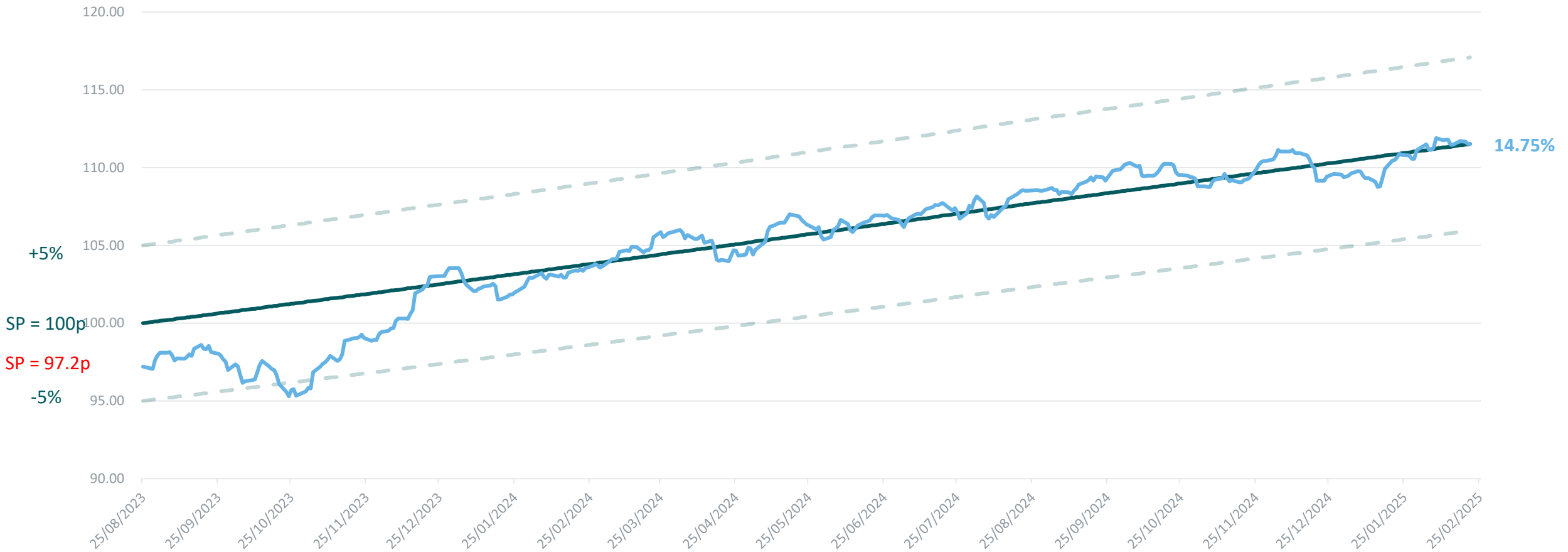
- Last UPA for PruFund Growth Ser A, in August 2023, was -2.80%
- This means the gap between Smoothed Price (SP) and Unsmoothed Price (USP) was 5.60%

The Smoothed Price (SP) performance is not the same as the Unsmoothed Price (USP) performance



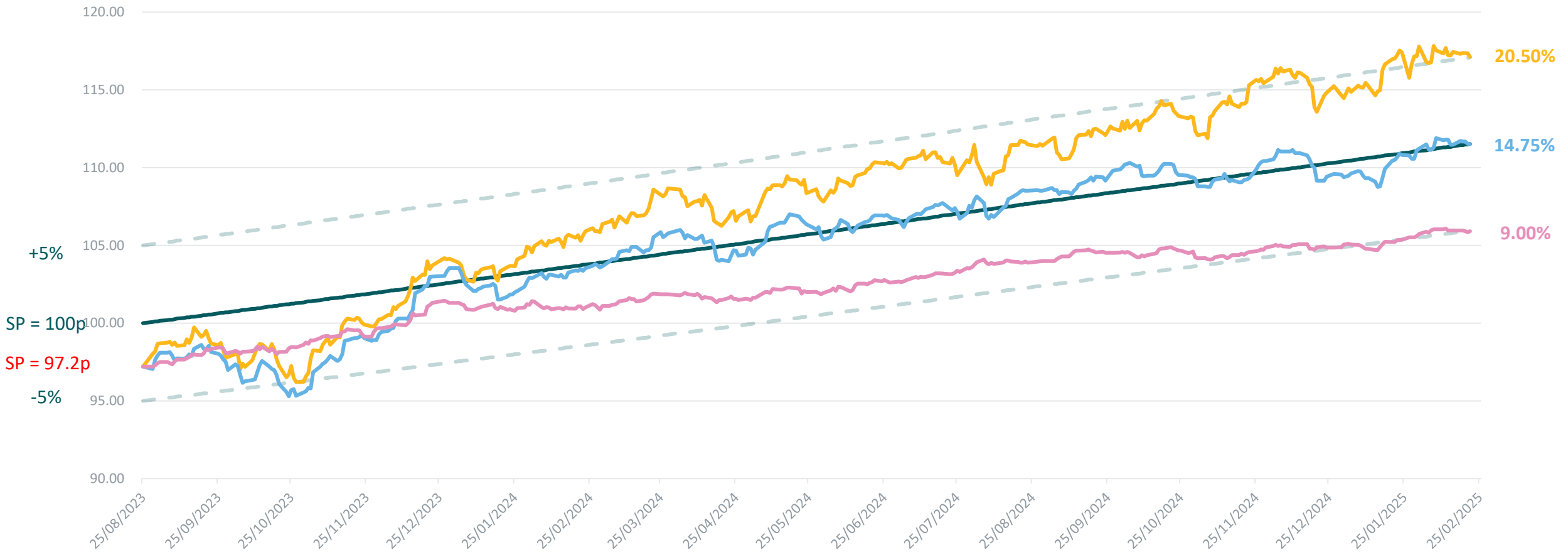
This is a hypothetical example to illustrate the mechanics of the smoothing process. It does not represent any actual version of PruFund.

The Smoothed Price (SP) performance is not the same as the Unsmoothed Price (USP) performance



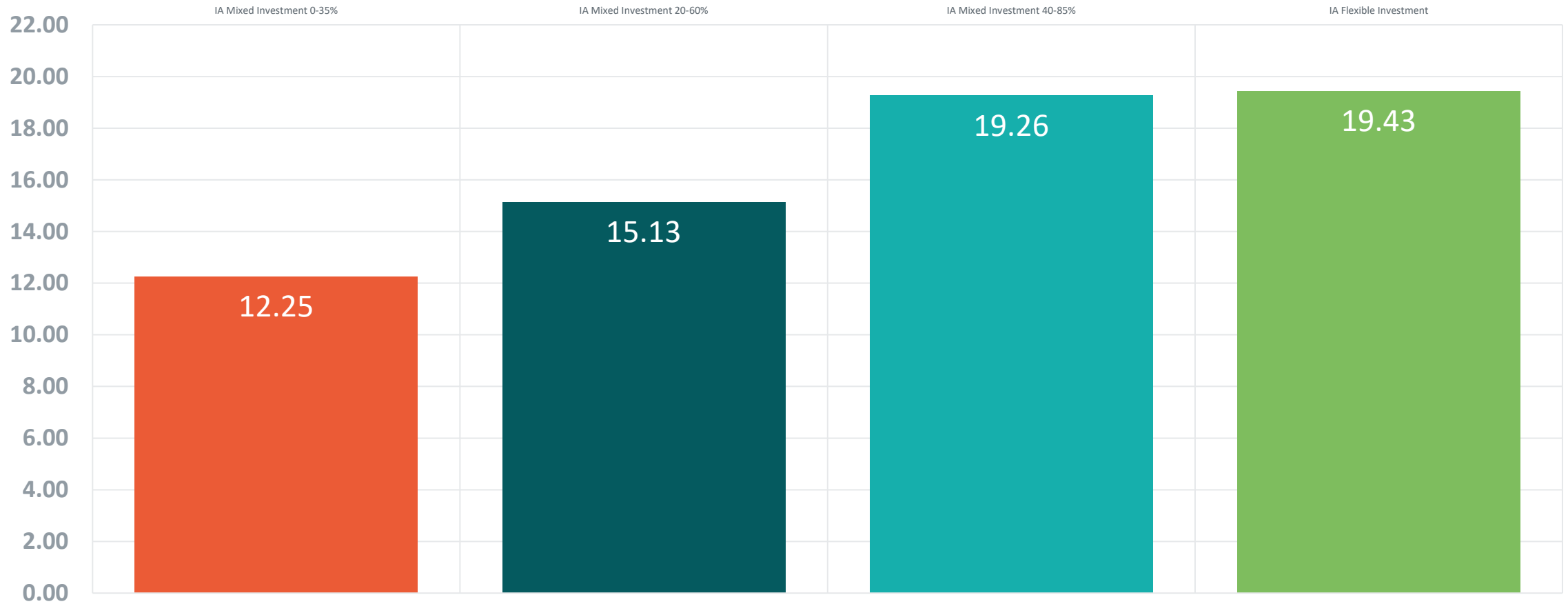
This is a hypothetical example to illustrate the mechanics of the smoothing process. It does not represent any actual version of PruFund.

The Smoothed Price (SP) performance is not the same as the Unsmoothed Price (USP) performance



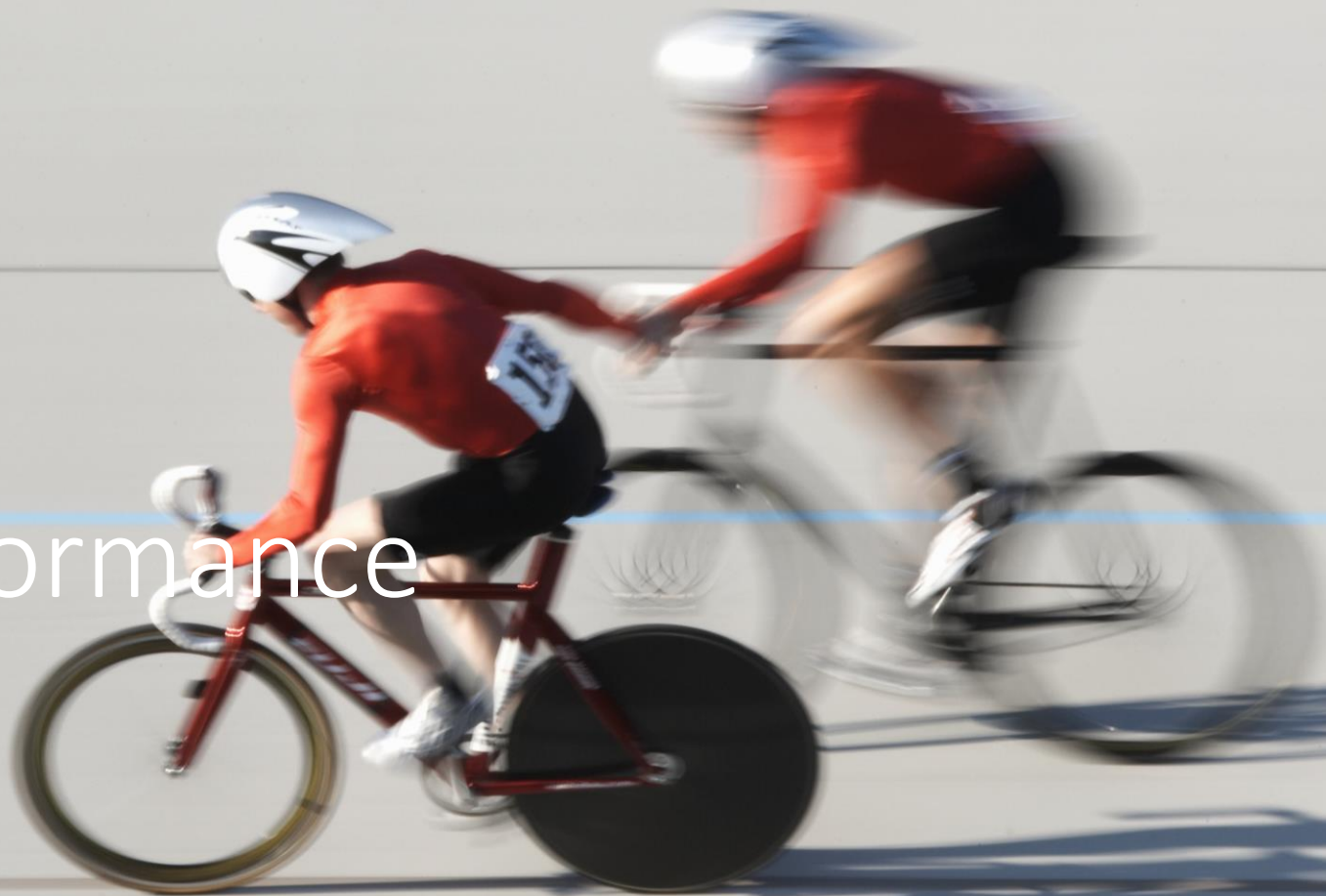
This is a hypothetical example to illustrate the mechanics of the smoothing process. It does not represent any actual version of PruFund.

Performance of multi asset sectors since 25 Aug 2023

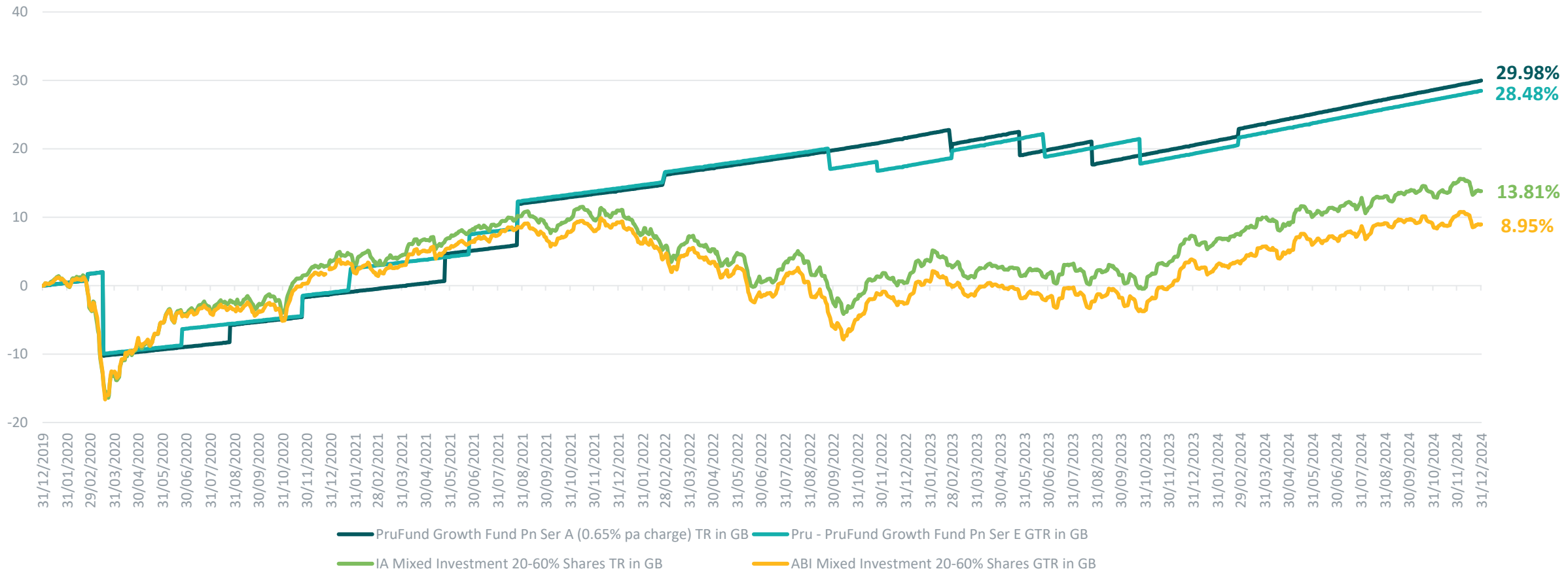


Performance of IA Mixed Investment sectors in GBP over period from 25 Aug 2023 to 25 Feb 2025. The PruFund figure includes any additional investment expenses, but not any fund management, product or advice charges, so the amount an investor would get back would be less than shown here. Some, if not all, of the funds comprising the IA sector averages are net of fund charges. The value of an investment can go down as well as up. Your clients may get back less than they have paid in. Source: FE Analytics

PruFund performance

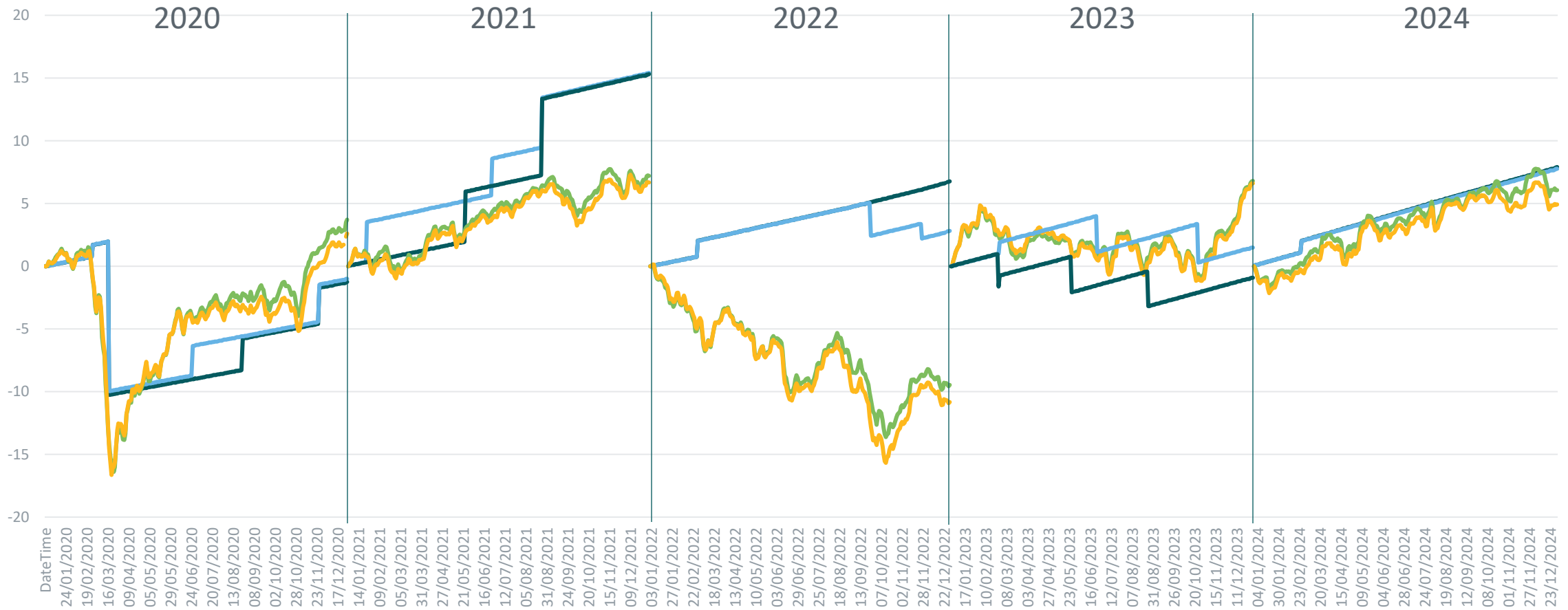


PruFund Growth – 5-year performance (to end 2024)



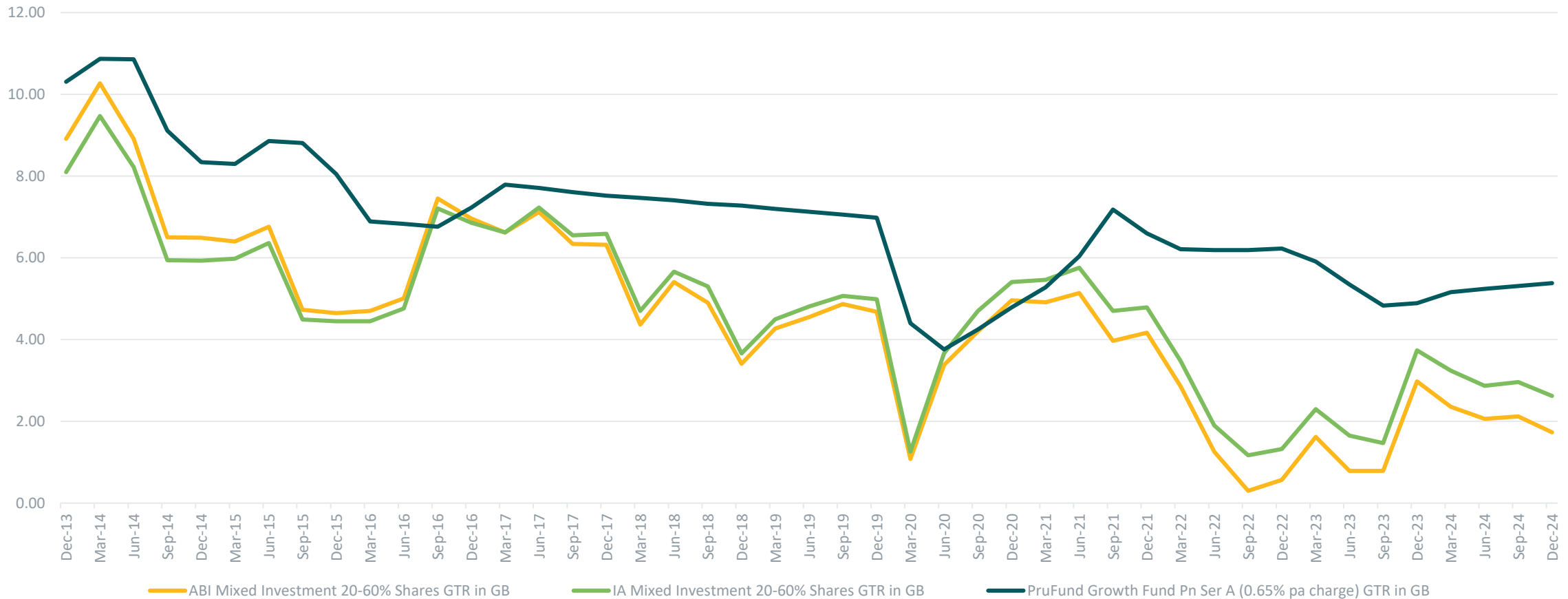
Figures are for PruFund Growth Pn Ser A and Ser E and are for the period from 31 Dec 2019 to 31 Dec 2024. The figures for PruFund Growth Ser A include a representative fund management charge of 0.65% pa. Both PruFund figures include any additional investment expenses, but not any product or advice charges, so the amount an investor would get back would be less than shown here. Some, if not all, of the funds comprising the IA and ABI sector averages are net of fund charges. Past performance is not a reliable indicator of future performance. **The value of an investment can go down as well as up. Your clients may get back less than they have paid in.** Source: FE Analytics

PruFund Growth – 5-year performance (by calendar year)



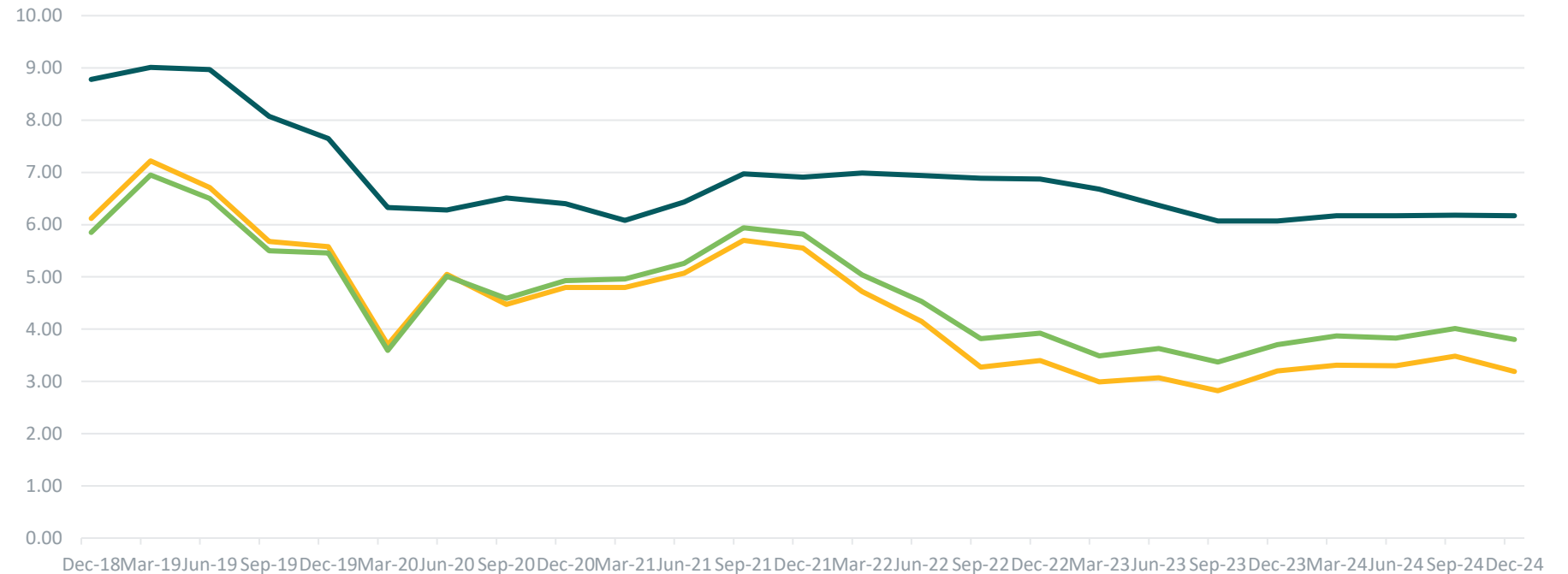
Figures are for PruFund Growth Pn Ser A and Ser E and are for the period from 31 Dec 2019 to 31 Dec 2024. The figures for PruFund Growth Ser A include a representative fund management charge of 0.65% pa. Both PruFund figures include any additional investment expenses, but not any product or advice charges, so the amount an investor would get back would be less than shown here. Some, if not all, of the funds comprising the IA and ABI sector averages are net of fund charges. Past performance is not a reliable indicator of future performance. **The value of an investment can go down as well as up. Your clients may get back less than they have paid in.** Source: FE Analytics

PruFund Growth Ser A – quarterly rolling 5-year annualised returns



Figures are for PruFund Growth Pn Ser A and are for the period from 31 Dec 2008 to 31 Dec 2024. The PruFund figures include a representative fund management charge of 0.65% pa and any additional investment expenses, but not any product or advice charges, so the amount an investor would get back would be less than shown here. Some, if not all, of the funds comprising the IA and ABI sector averages are net of fund charges. Past performance is not a reliable indicator of future performance. **The value of an investment can go down as well as up. Your clients may get back less than they have paid in.** Source: FE Analytics

PruFund Growth Ser A – quarterly rolling 10-year annualised returns



	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
ABI Mixed Investment 20-60% Shares	6.12	7.22	6.71	5.68	5.58	3.70	5.05	4.47	4.80	4.80	5.07	5.70	5.55	4.72	4.15	3.27	3.40	2.99	3.07	2.82	3.20	3.31	3.30	3.48	3.19
IA Mixed Investment 20-60% Shares	5.85	6.95	6.50	5.50	5.46	3.59	5.01	4.59	4.93	4.96	5.26	5.94	5.82	5.04	4.53	3.82	3.92	3.49	3.63	3.37	3.70	3.87	3.83	4.01	3.80
PruFund Growth Fund Pn Ser A (0.65% pa charge)	8.78	9.01	8.97	8.07	7.65	6.33	6.28	6.51	6.40	6.08	6.43	6.97	6.91	6.99	6.94	6.89	6.87	6.68	6.37	6.07	6.07	6.17	6.17	6.18	6.17

Figures are for PruFund Growth Pn Ser A and are for the period from 31 Dec 2008 to 31 Dec 2024. The PruFund figures include a representative fund management charge of 0.65% pa and any additional investment expenses, but not any product or advice charges, so the amount an investor would get back would be less than shown here. Some, if not all, of the funds comprising the IA and ABI sector averages are net of fund charges. Past performance is not a reliable indicator of future performance. **The value of an investment can go down as well as up. Your clients may get back less than they have paid in.** Source: FE Analytics

Historic maximum withdrawal rate without erosion of capital

Basis of analysis

- Initial investment of £100,000 made 31 December (starting year varies as per figures shown)
- Rate shown is equivalent to fixed monthly withdrawal, e.g. 4.2% is £4,200 pa or £350 pm
- Withdrawals are taken at end of each month and remain fixed for the period in question
- Rate shown is the effective maximum that could have been taken and left at least £100,000 remaining as at 31 December 2024
- Figures are gross of tax, product and advice charge are not included
- The withdrawal rates shown should not be taken as an indication or guarantee of future rates that could be supported
- Withdrawal rates should be regularly reviewed in any event

Historic maximum withdrawal rate without erosion of capital

Table shows maximum withdrawal rate, as % of initial investment, that can be taken without loss of initial investment at end of time period indicated

	Start 31/12/2014 (10 years)	Start 31/12/2015 (9 years)	Start 31/12/2016 (8 years)	Start 31/12/2017 (7 years)	Start 31/12/2018 (6 years)	Start 31/12/2019 (5 years)
IA Mixed Investment 0-35% Shares Sector	2.3%	2.6%	1.8%	1.4%	2.2%	1.0%
IA Mixed Investment 20-60% Shares Sector	3.7%	4.0%	3.2%	2.6%	4.0%	2.4%
IA Mixed Investment 40-85% Shares Sector	5.4%	5.8%	4.9%	4.1%	6.1%	4.1%
PruFund Cautious Pn Ser A	4.2%	3.9%	4.3%	3.8%	4.1%	4.0%
PruFund Growth Pn Ser A	6.1%	5.6%	5.6%	5.2%	5.1%	5.1%

Figures for PruFund Growth Pension and PruFund Cautious Pension are gross of tax. Figures are over the time period shown to end of December 2024. Initial investment of £100,000 and withdrawals taken at the end of the month. Past performance is not a reliable indicator of future performance. Both PruFund Growth Pension and PruFund Cautious Pension include a representative annual charge of 0.65% and any additional investment expenses, but not any product or advice charges, so the amount an investor would get back would be less than shown here, Some, if not all, of the funds comprising the IA sector averages are net of fund charges. This example represents a typical situation. It is not related to any particular individual and does not recommend that course of action. Source: FE Analytic.

The value of an investment can go down as well as up. Your clients may get back less than they have paid in.

Historic maximum withdrawal rate without erosion of capital

Table shows maximum withdrawal rate, as a monthly amount, that can be taken without loss of initial investment at end of time period indicated

	Start 31/12/2014 (10 years)	Start 31/12/2015 (9 years)	Start 31/12/2016 (8 years)	Start 31/12/2017 (7 years)	Start 31/12/2018 (6 years)	Start 31/12/2019 (5 years)
IA Mixed Investment 0-35% Shares Sector	£191.67	£216.67	£150	£116.67	£183.33	£83.33
IA Mixed Investment 20-60% Shares Sector	£308.33	£333.33	£266.67	£216.67	£333.33	£200
IA Mixed Investment 40-85% Shares Sector	£450	£483.33	£408.33	£341.67	£508.33	£341.67
PruFund Cautious Pn Ser A	£350	£325	£358.33	£316.67	£341.67	£333.33
PruFund Growth Pn Ser A	£508.33	£466.67	£466.67	£433.33	£425	£425

Figures for PruFund Growth Pension and PruFund Cautious Pension are gross of tax. Figures are over the time period shown to end of December 2024. Initial investment of £100,000 and withdrawals taken at the end of the month. Past performance is not a reliable indicator of future performance. Both PruFund Growth Pension and PruFund Cautious Pension include a representative annual charge of 0.65% and any additional investment expenses, but not any product or advice charges, so the amount an investor would get back would be less than shown here, Some, if not all, of the funds comprising the IA sector averages are net of fund charges. This example represents a typical situation. It is not related to any particular individual and does not recommend that course of action. Source: FE Analytic.

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Thank you for your time

If you would like any further information, or support, then please contact your
Prudential Account Manager

