

PruFund Update & Bonus Declaration



Important information

This presentation is for adviser use only and not for retail customers and contains some forward-thinking statements which should not be taken as fact. Information given is based on our current understanding of current taxation, legislation and HMRC practice, all of which are liable to change and subject to an individual's own circumstances. Terms and conditions of products are available on request. The level of charges may change in the future.

No reproduction, copy, transmission or amendment of this presentation may be made without the written permission from Prudential.

Prudential Distribution Limited is registered in Scotland. Registered Office at 5 Central Way, Kildean Business Park, Stirling, FK8 1FT. Registered number SC212640. Authorised and regulated by the Financial Conduct Authority.

London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). ©LSE Group 2018. FTSE Russell is a trading name of certain of the LSE Group companies. e.g., "FTSE®", "Russell®", "FTSE Russell®", "MTS®", "FTSE4Good®", "ICB®", "Mergent®", "The Yield Book®," are a trade mark(s) of the relevant LSE Group companies and are used by any other LSE Group company under license. "TMX®" is a trade mark of TSX, Inc. and used by the LSE Group under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

This presentation contains past performance information which is not a reliable indicator of future performance. The value of investments can go down as well as up. Your client may not get back what they put in.



PruFund Quarterly Update – Feb 2024

Paul Fidell



What we will cover

- EGRs
- UPAs
- Market context
- PruFund performance

EGR decision

- Following the usual quarterly review; EGRs have been maintained for most versions of PruFund
- The exception is Euro versions of PruFund Growth and Cautious, which have reduced by 30bps and 50bps respectively

Example EGRs

Product	Fund	EGR from 26 Feb 2024
Onshore Bond	PruFund Growth S2	6.40%
	PruFund Cautious S2	5.80%
ISA	PruFund Growth Pn ISA	7.70%
	PruFund Cautious Pn ISA	7.00%
Pension	PruFund Growth Pn Ser E	7.70%
	PruFund Cautious Pn Ser E	7.00%
Offshore Bond	PruFund Growth EUR Ser B	6.60%
	PruFund Cautious EUR Ser B	5.70%
	PruFund Growth USD Ser B	7.00%
	PruFund Cautious USD Ser B	6.40%

Example EGRs

Product	Fund	EGR from 26 Feb 2024
ISA/Pension	PruFund Risk Managed 1	6.50%
	PruFund Risk Managed 2	6.90%
	PruFund Risk Managed 3	7.40%
	PruFund Risk Managed 4	7.70%
	PruFund Risk Managed 5	8.00%

Product	Fund	EGR from 26 Feb 2024
ISA/Pension	PruFund Planet 1	6.50%
	PruFund Planet 2	6.90%
	PruFund Planet 3	7.40%
	PruFund Planet 4	7.70%
	PruFund Planet 5	8.00%

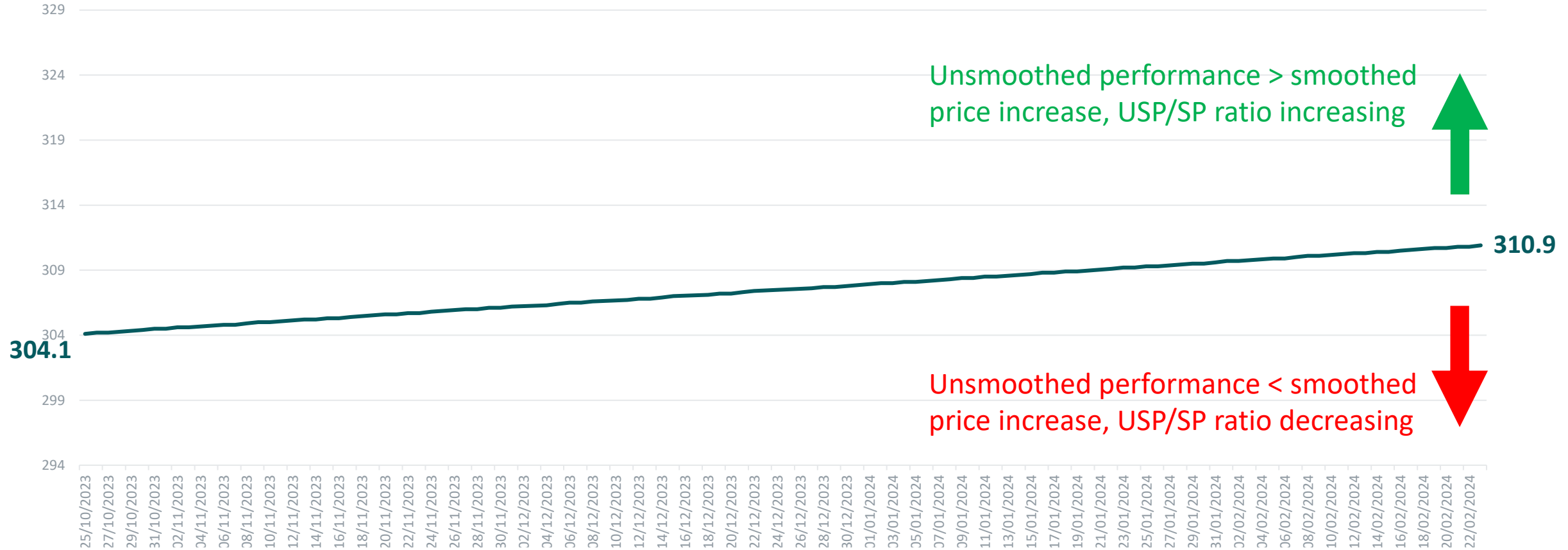
Unit Price Adjustments (UPAs)

- 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 review point

UPAs – a reminder of what's required

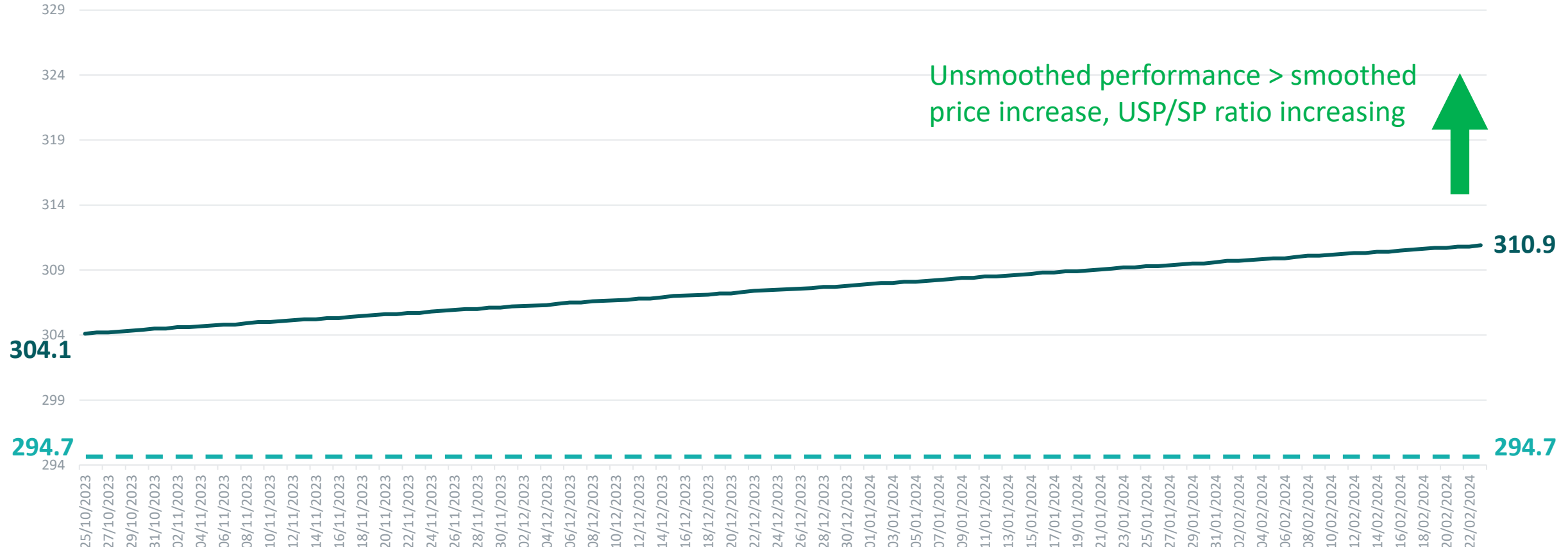
- Last UPA for PruFund Growth Ser E, in Oct 2023, was -2.98%
- This means the gap between Smoothed Price (SP) and Unsmoothed Price (USP) was 5.96%
- SP before the UPA was 313.40p
- After the UPA, the SP moved to 304.10p

UPAs – a reminder of what’s required



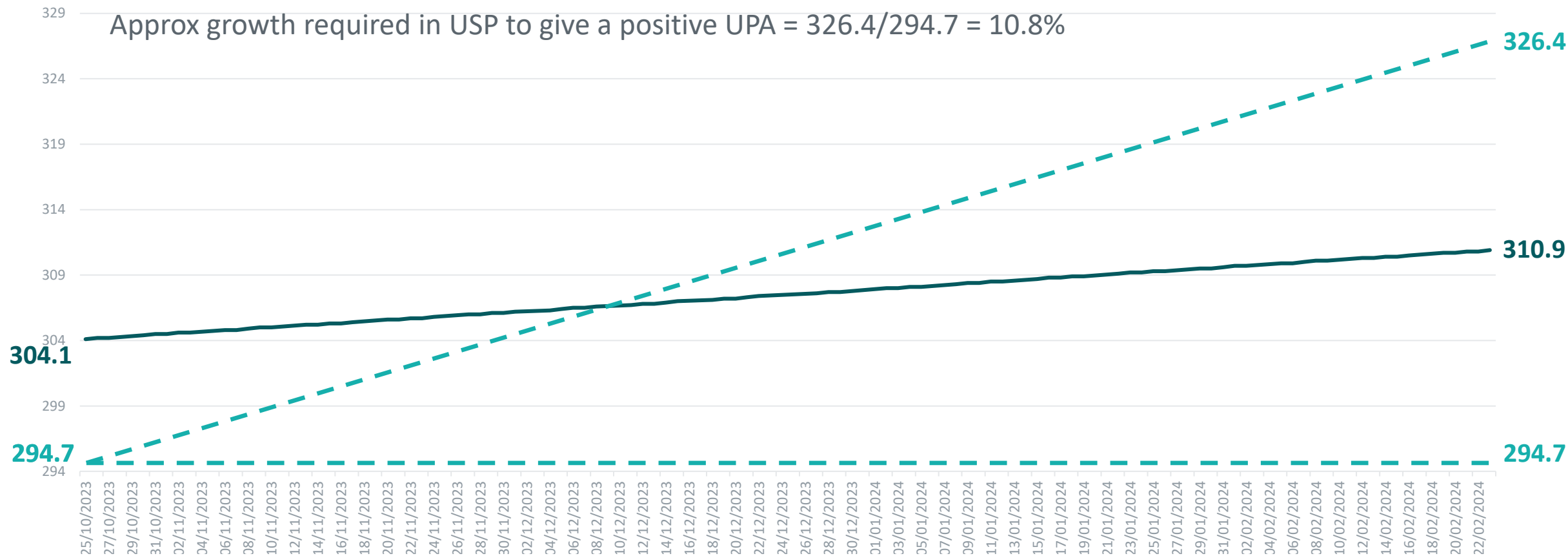
Figures are for PruFund Growth Fund Pn Series E and are for the period from 25 Oct 2023 to 23 Feb 2024. The PruFund figures include any additional investment expenses and fund management charges but not any product or advice charges, so the amount an investor would get back would be less than shown here. Past performance is not a reliable indicator of future performance. **The value of an investment can go down as well as up. Your clients may get back less than they have paid in.** Source: FE Analytics

UPAs – a reminder of what’s required



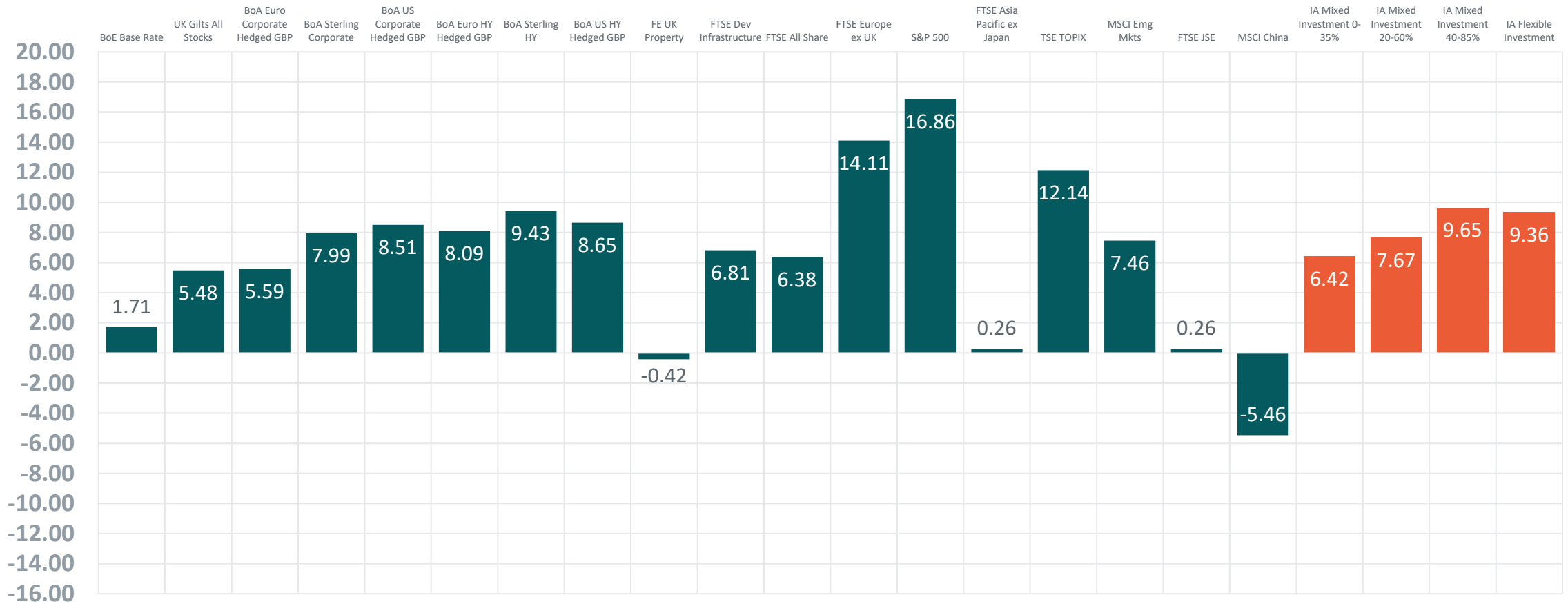
Figures are for PruFund Growth Fund Pn Series E and are for the period from 25 Oct 2023 to 23 Feb 2024. The PruFund figures include any additional investment expenses and fund management charges but not any product or advice charges, so the amount an investor would get back would be less than shown here. Past performance is not a reliable indicator of future performance. **The value of an investment can go down as well as up. Your clients may get back less than they have paid in.** Source: FE Analytics

UPAs – a reminder of what’s required



Figures are for PruFund Growth Fund Pn Series E and are for the period from 25 Oct 2023 to 23 Feb 2024. The PruFund figures include any additional investment expenses and fund management charges but not any 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. Your clients may get back less than they have paid in.** Source: FE Analytics

Performance of markets since 25 Oct 2023



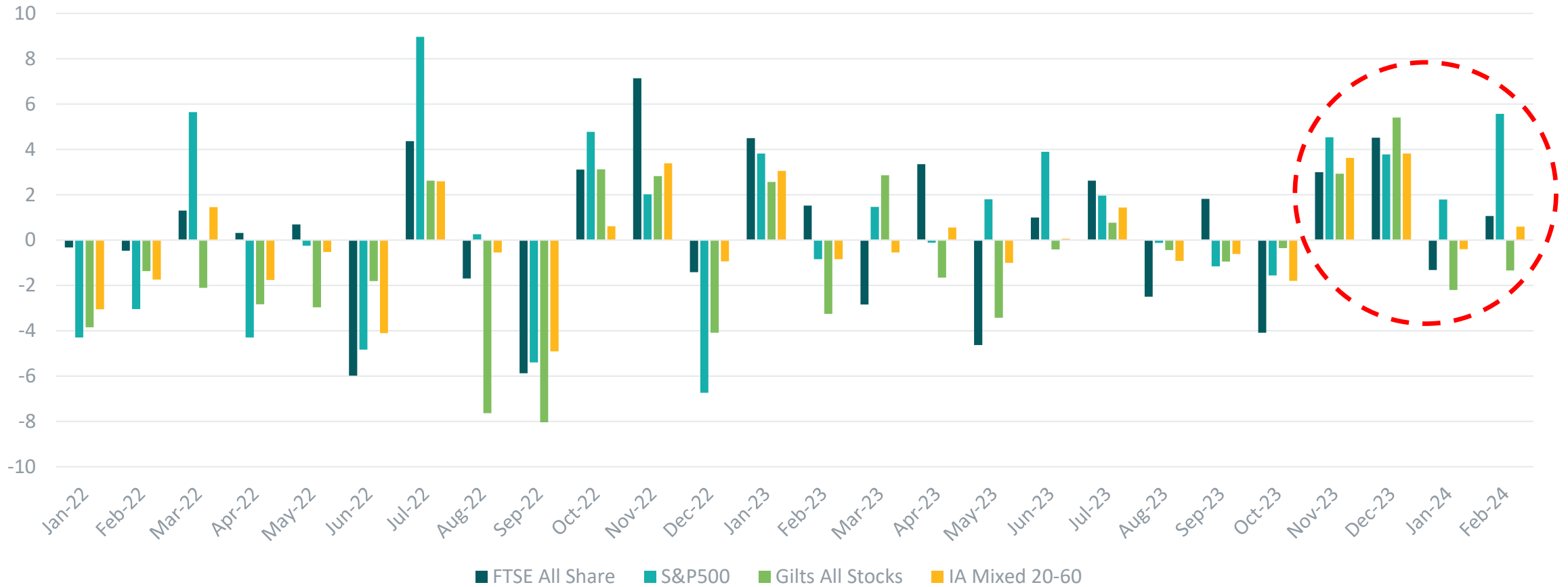
Performance of various indices over period from 25 Oct 2023 to 25 Feb 2024. **The value of an investment can go down as well as up. Your clients may get back less than they have paid in.** Source: FE Analytics

Performance of PruFund Growth – 1 year performance



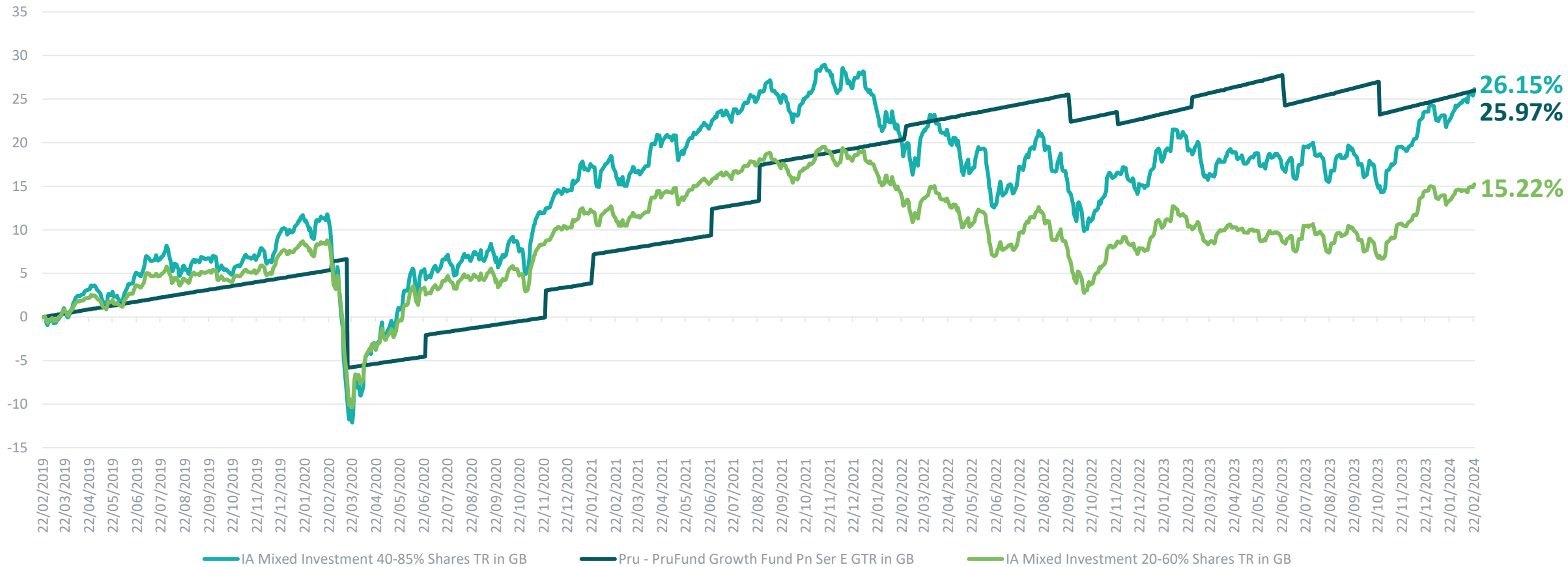
Figures are for PruFund Growth Pn Series E and are for the period from 24 Feb 2023 to 24 Feb 2024. The PruFund figures include any additional investment expenses, but not any product or advice charges, so the amount an investor would get back would be less than shown here. Some, if not all, of the funds comprising the IA sector average 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

Monthly breakdown of 2022, 2023 and YTD



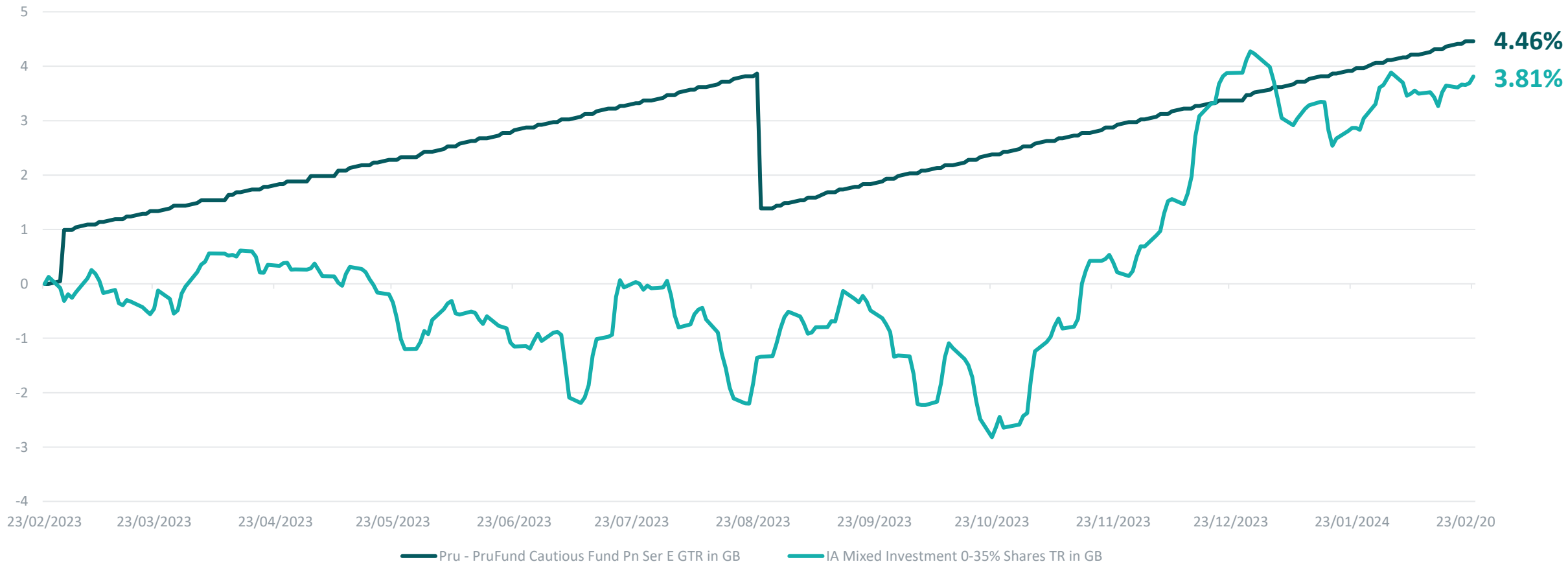
Performance of various indices over period from 31 Dec 2021 to 25 Feb 2024. **The value of an investment can go down as well as up. Your clients may get back less than they have paid in.** Source: FE Analytics

Performance of PruFund Growth – 5 years



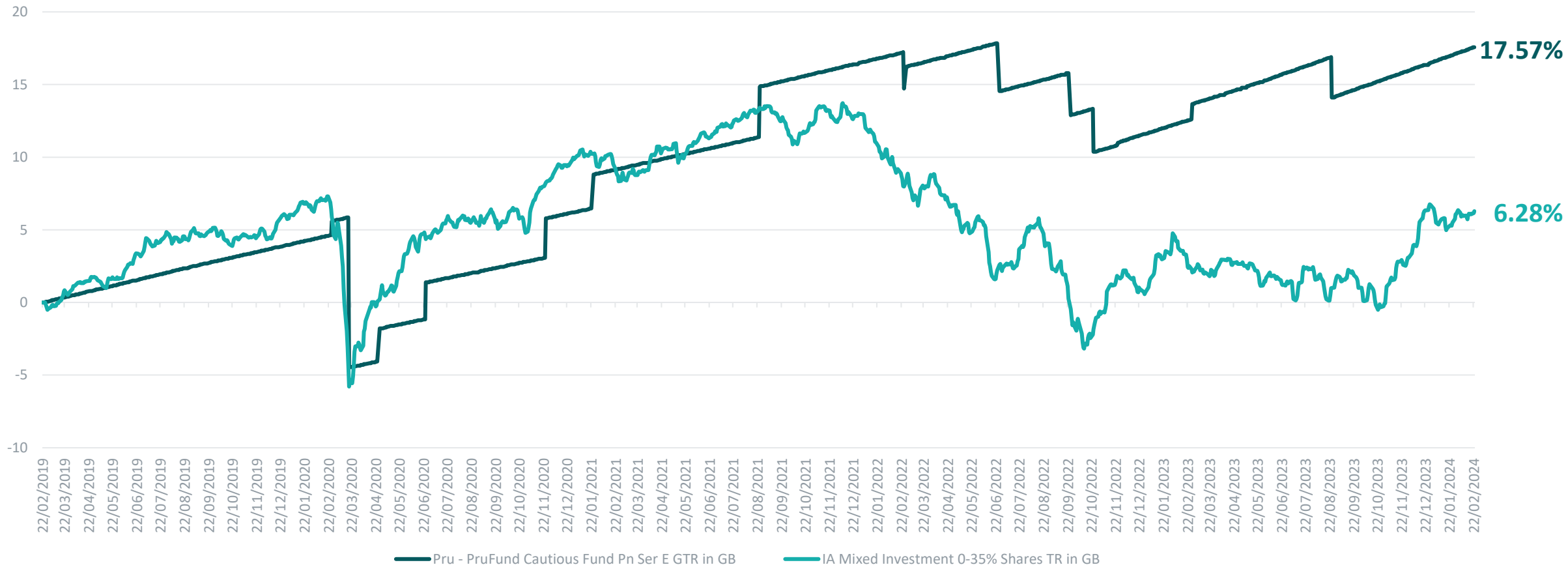
Figures are for PruFund Growth Pn Series E and are for the period from 24 Jan 2019 to 24 Jan 2024. The PruFund figures include any additional investment expenses, but not any product or advice charges, so the amount an investor would get back would be less than shown here. Some, if not all, of the funds comprising the IA sector average 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

Performance of PruFund Cautious – 1 year



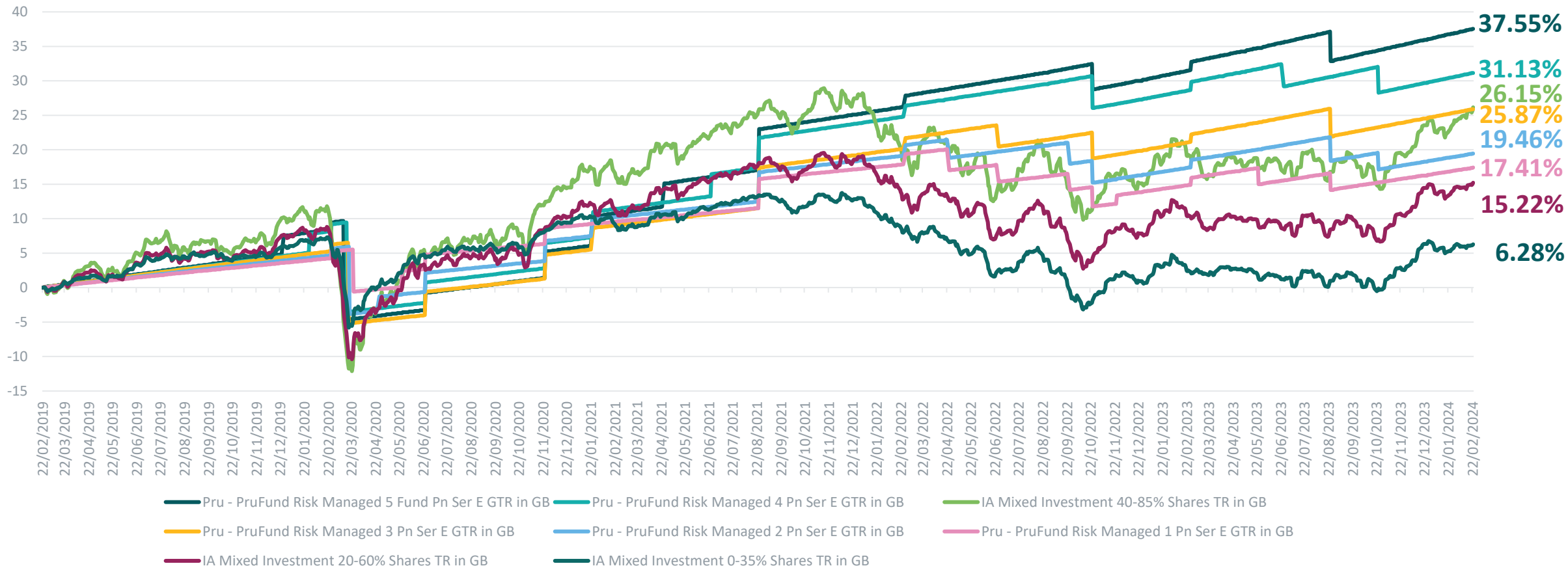
Figures are for PruFund Cautious Pn Series E and are for the period from 24 Feb 2023 to 24 Feb 2024. The PruFund figures include any additional investment expenses, but not any product or advice charges, so the amount an investor would get back would be less than shown here. Some, if not all, of the funds comprising the IA sector average 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

Performance of PruFund Cautious – 5 year



Figures are for PruFund Cautious Pn Series E and are for the period from 24 Feb 2019 to 24 Feb 2024. The 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 sector average 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

Performance of PruFund Risk Managed



Figures are for PruFund Risk Managed Pn Series E range and are for the period from 24 Feb 2019 to 24 Feb 2024. The 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 sector average 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



2024 Bonus declaration overview

Paul Fidell

How have we done?

- Over 2023, The Prudential Assurance Company Limited With-Profits Fund returned 3.6% (net of tax) and 4.3% (gross of tax), both before 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 Unitised With-Profits Pension and Bond contracts, the year-on-year increase in plan values will typically be in the range of 3.0% to 5.0%, as a result of the bonuses declared in the 2024 Bonus Declaration

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

How have we done?

		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		4.3	3.6	6.8	5.7
5 yr. return	Cumulative	30.4	25.6	16.1	12.3
	Annualised	5.5	4.7	3.0	2.4
10 yr. return	Cumulative	79.8	66.0	37.0	28.3
	Annualised	6.0	5.2	3.2	2.5

Source: Prudential, FE Analytics. All figures to 31 December 2023.

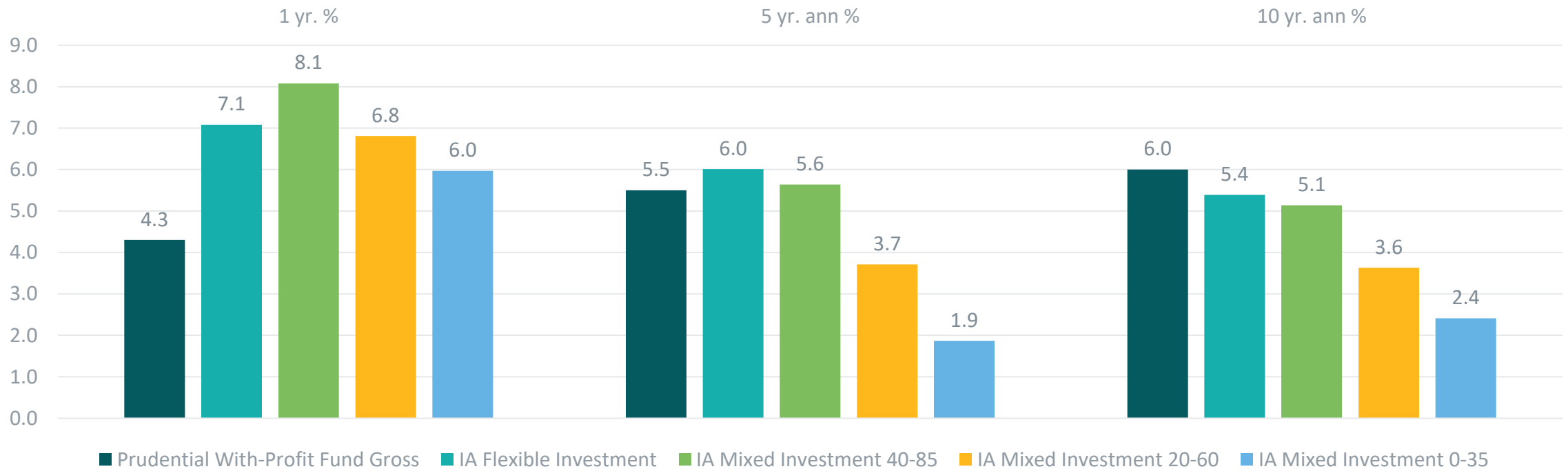
*With-Profits performance is gross of tax and before charges and the effects of smoothing. The returns shown are for the main asset pool in our With-Profits Sub-Fund, which is relevant the vast majority of our customers.

**With-Profits performance is net of tax and before charges and the effects of smoothing. The returns shown are for the main asset pool in our With-Profits Sub-Fund, which is relevant the vast majority of our customers.

***ABI UK – Mixed Investment 20-60% Shares – The Association of British Insurers (ABI) has a classification system whereby the performance of similar investment-linked funds are grouped together to give an average performance figure. This is known as the sector average. It's important to note that some if not all of the funds in 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.

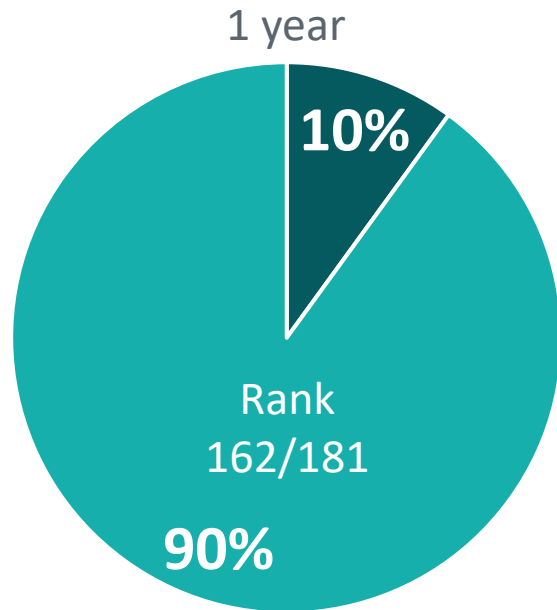
How have we done?



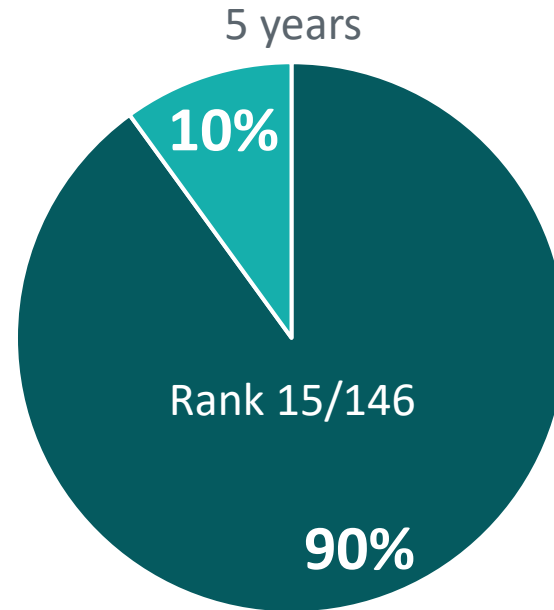
Source: Prudential, FE Analytics. All figures to 31 December 2023. These values are for the main asset pool in our With-Profit Sub-Fund, which is relevant to the vast majority of our customers. With-Profits performance is gross of tax and before charges and the effects of smoothing. It is important to note that some if not all of the Funds comprising the IA sector averages will already have fund management charges deducted from their performance.

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.

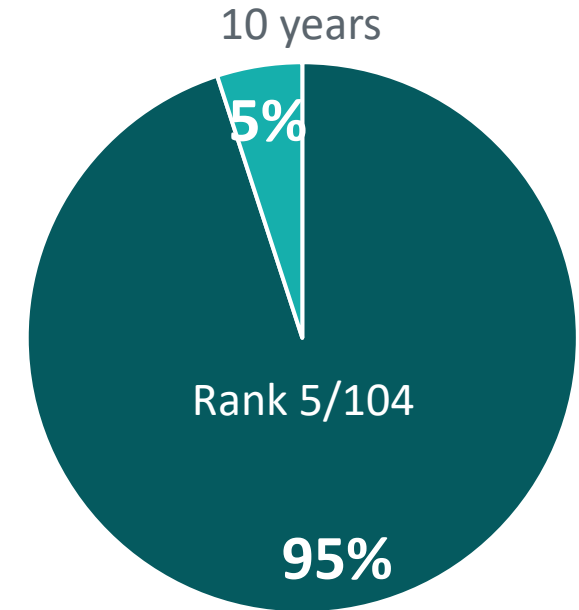
How have we done?



■ Higher than sector ■ Lower than sector



■ Higher than sector ■ Lower than sector

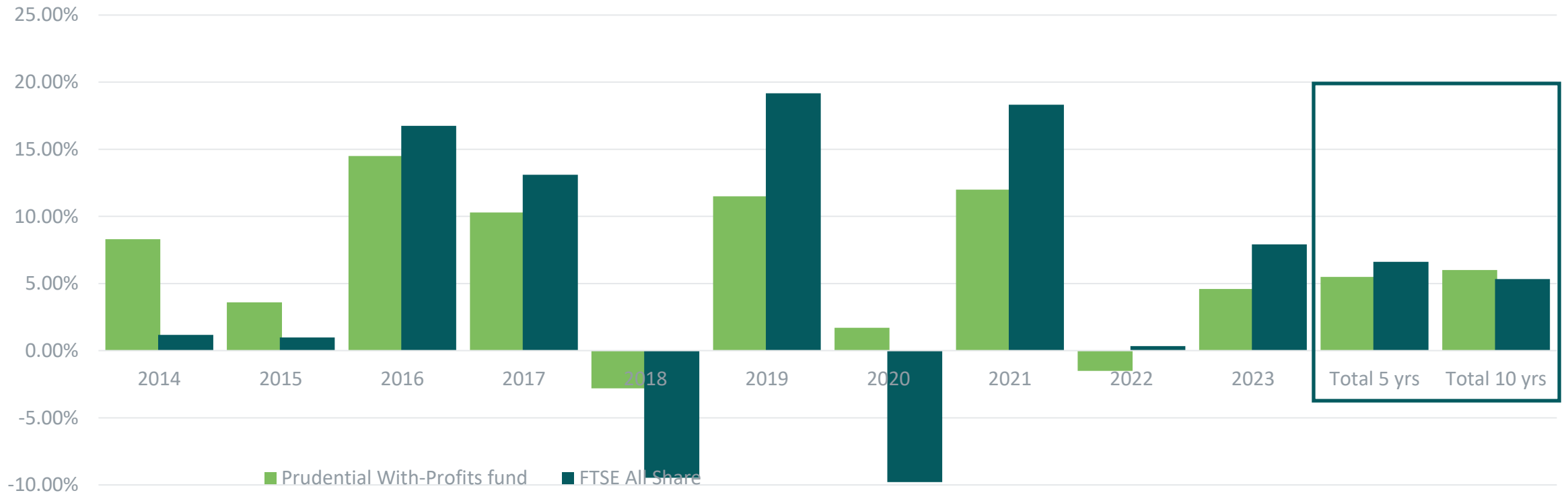


■ Higher than sector ■ Lower than sector ■

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 where the Prudential With Profit Fund return is higher or lower than sector and effective ranking position. For 1 year return is higher than 19 out of 181 funds; for 5 years return is higher than 131 out of 146 funds and for 10 years return is higher than 99 out of 104 funds. Periods shown end 31 Dec 2023.

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.

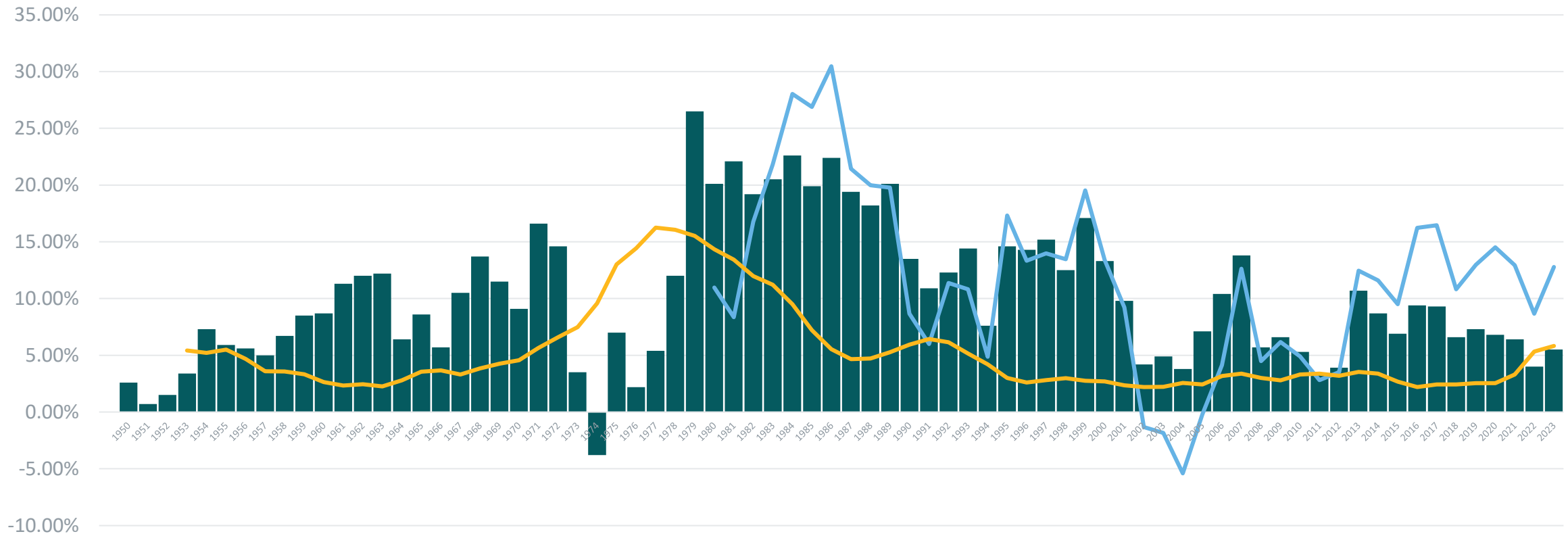
Performance vs. FTSE All Share



Source : Prudential figures for each year quoted are to the 31 December, year on year, from 2014 to 2023, and to 31 December 2023 for annualised performance for 5 and 10 years. Figures are net income reinvested and gross of fund tax, charges and the effects of smoothing where applicable. Please note, these figures are for comparative purposes only. These are not the returns your client's would get. Source : FE Analytics -Total Return Custom table of FTSE All Share Index from UK Retail UT and OEICs universe, year on year from 2014 to 2023.

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.

Historic annualised returns – 5 years



Source: Prudential. All figures to 31 December 2023. 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).

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.

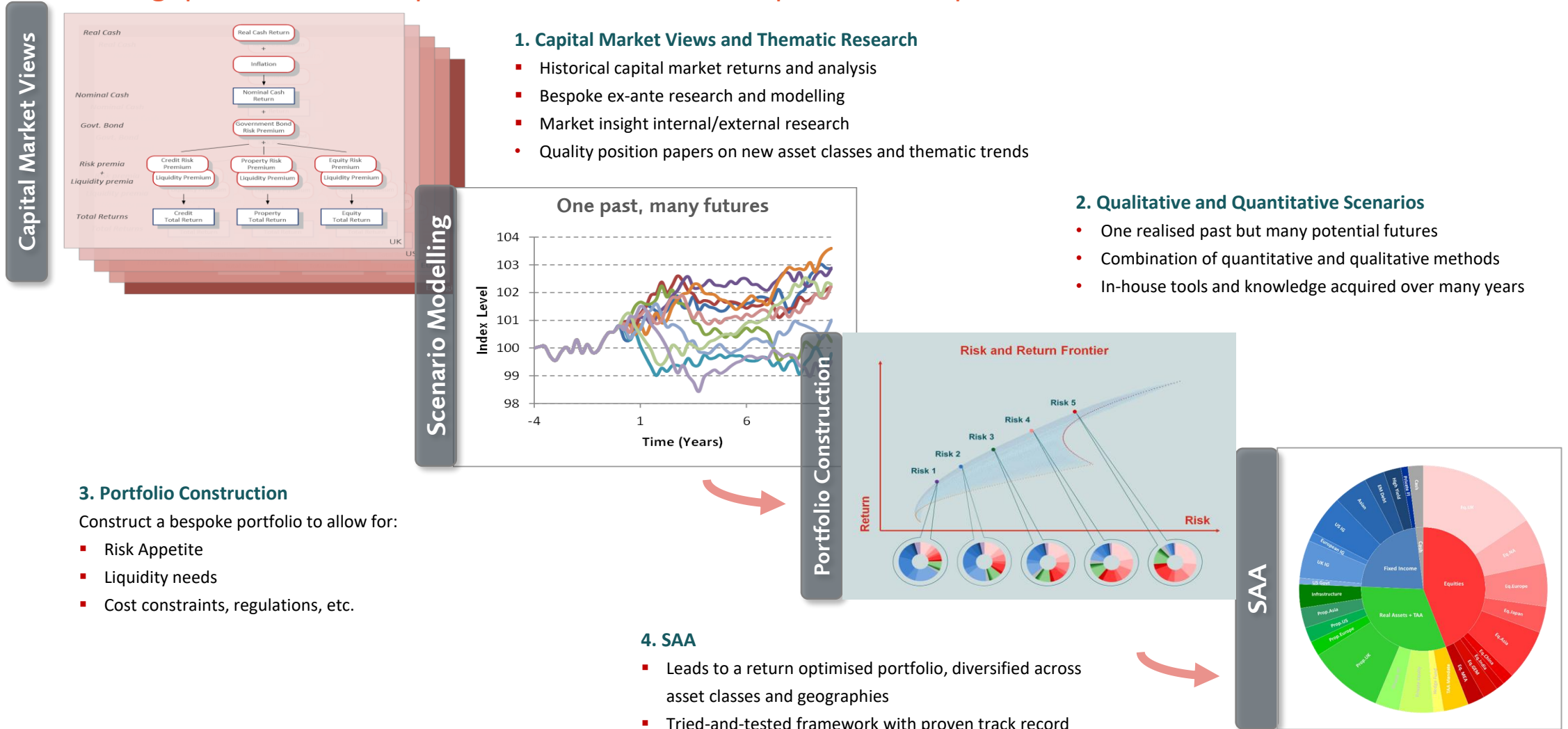


T&IO Performance and Outlook

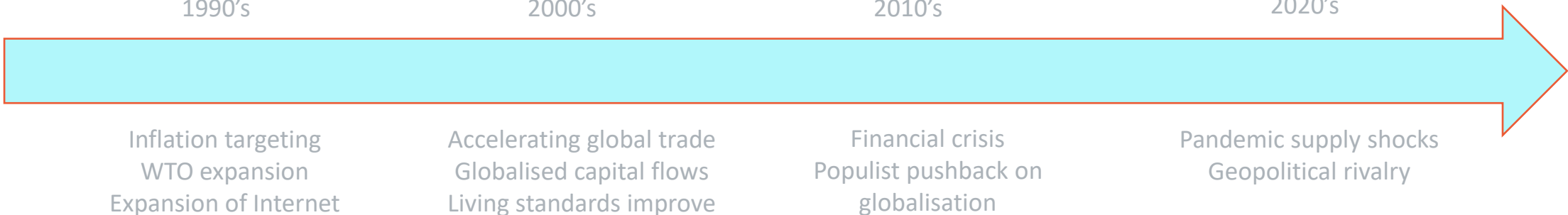
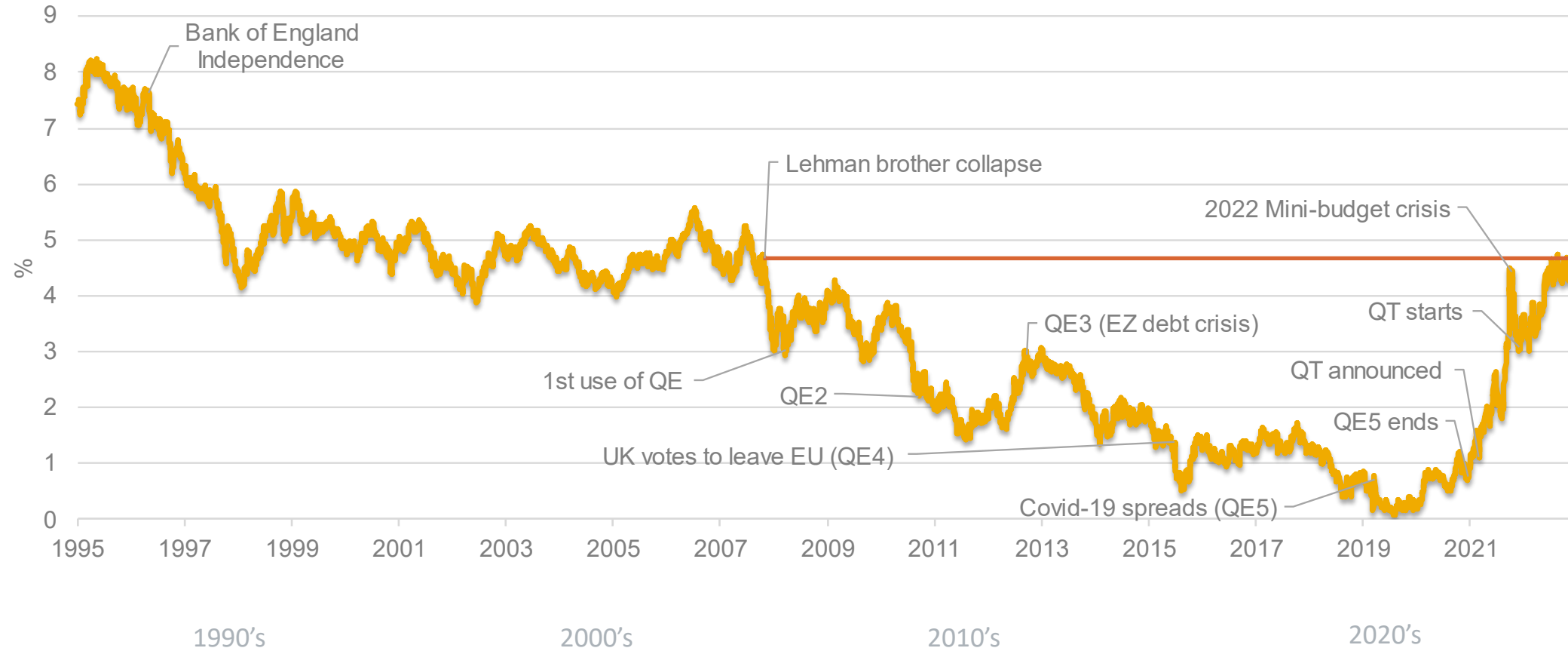
Parit Jakhria

SAA setting process at a glance

Translating quantitative and qualitative research into implementable portfolios



Several tailwinds created a benign structural backdrop



Structural changes bring new challenges for policymakers and investors

Trade fragmentation



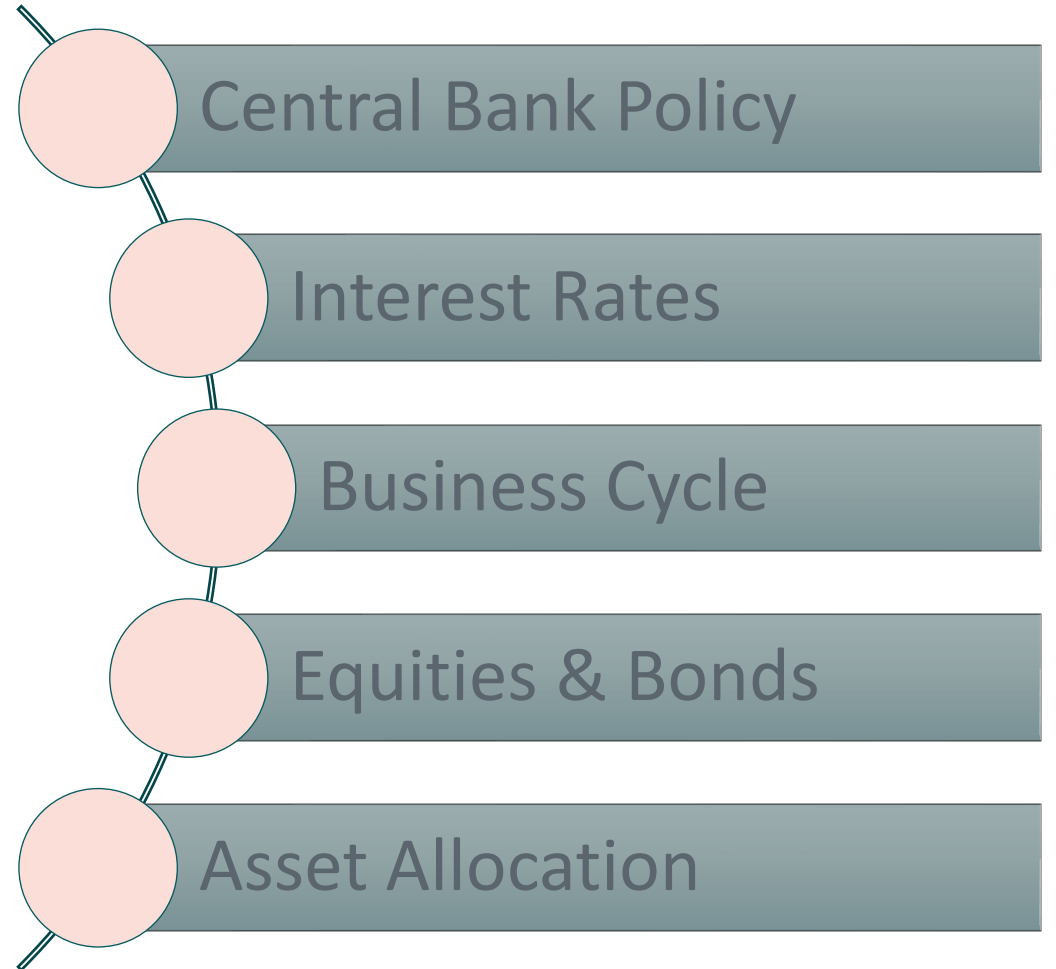
Peaking demographics



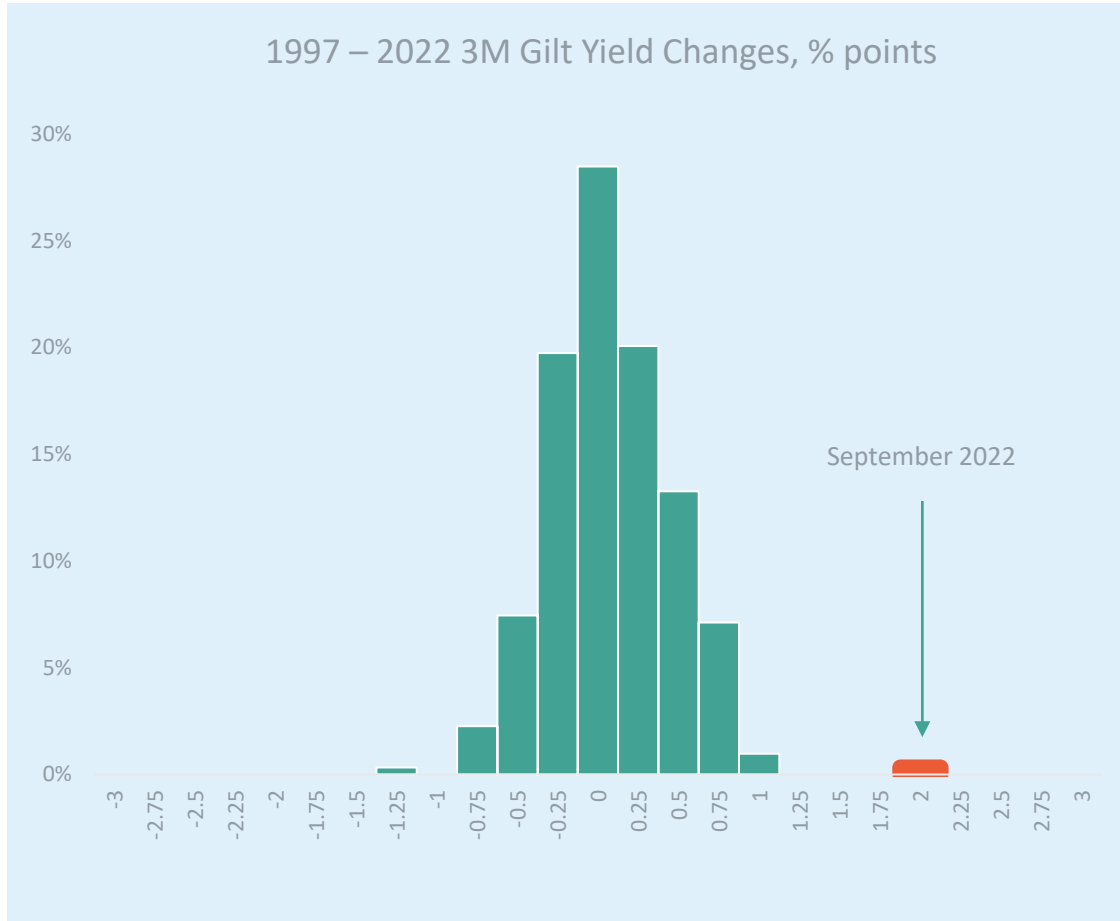
Geopolitical rivalry



Climate concerns

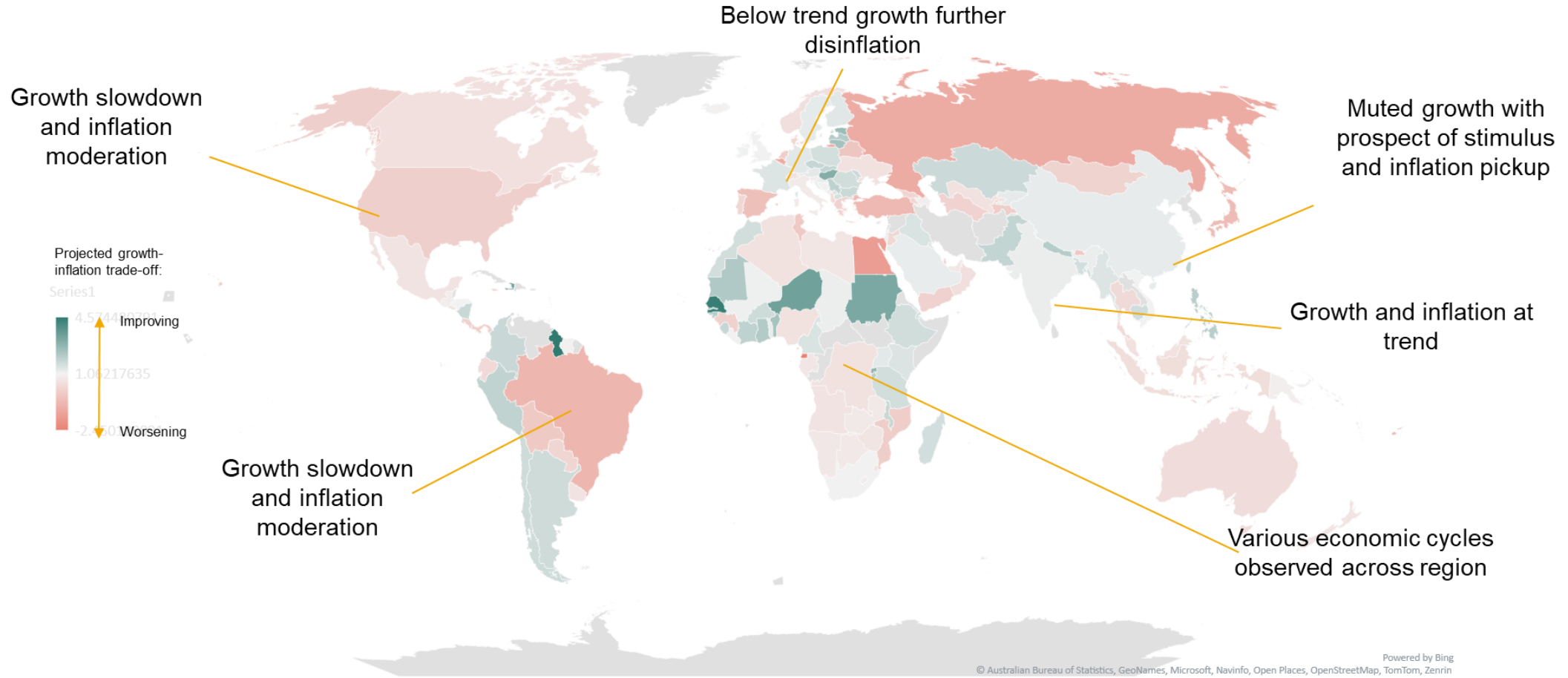


The importance of true diversification



LHS chart shows the histogram of 3-month gilt yield changes from 1997 – 2022 whereas the RHS chart shows the 12 month rolling returns for the MSCI All world equity index (in GBP) vs the 10-year Gilt 12 month rolling returns for the pre-GFC period and the post-GFC period overlaid with 2022.

Cyclical variation supports global diversification



Key themes for 2024 and beyond

Economic Outlook: can a soft landing be achieved?



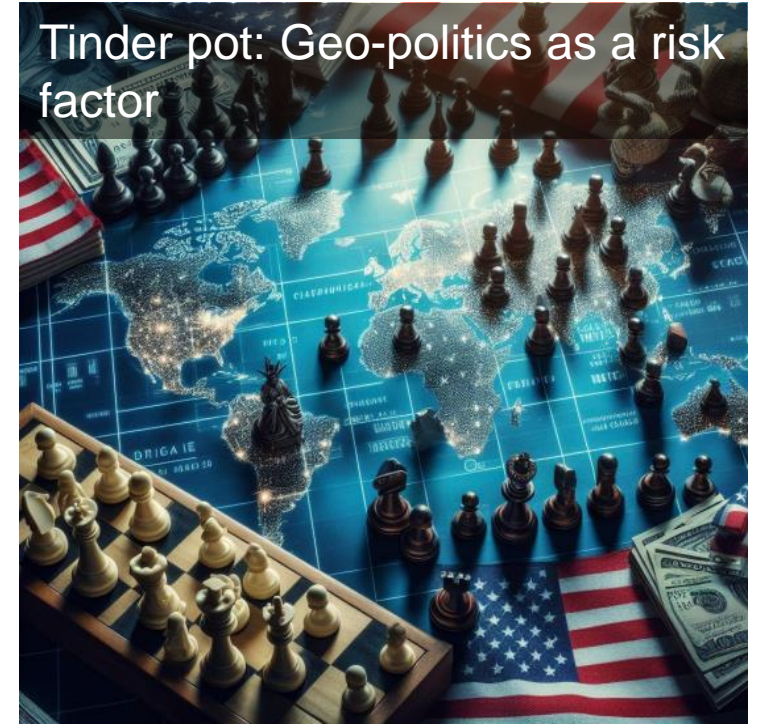
As inflation slows, varying economic cycles bring diversification opportunities.

New Frontiers: The promise and challenges of AI



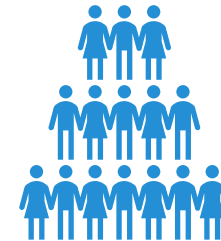
AI promises productivity growth, will this be met with resistance?

Tinder pot: Geo-politics as a risk factor

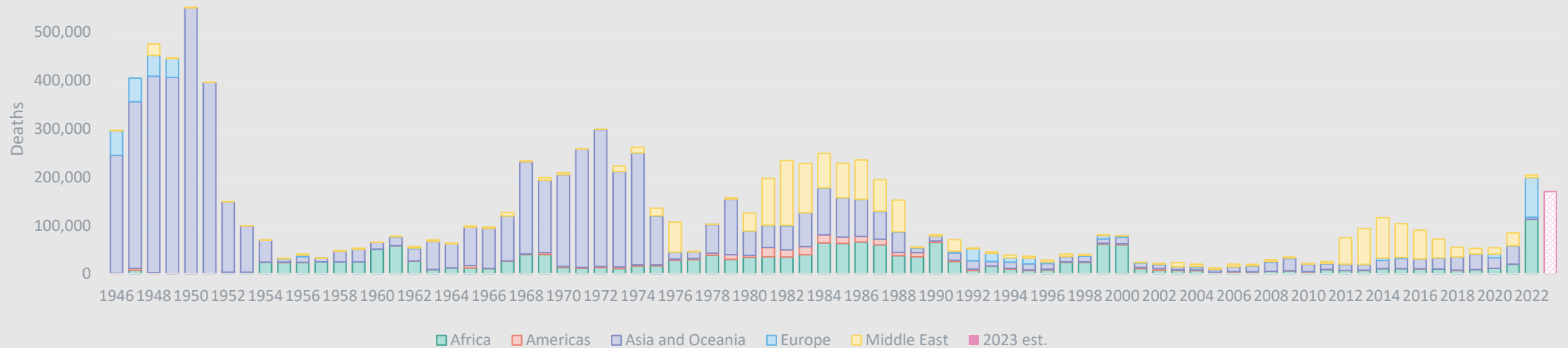


Geopolitical instability demands agility for a wider range of scenarios.

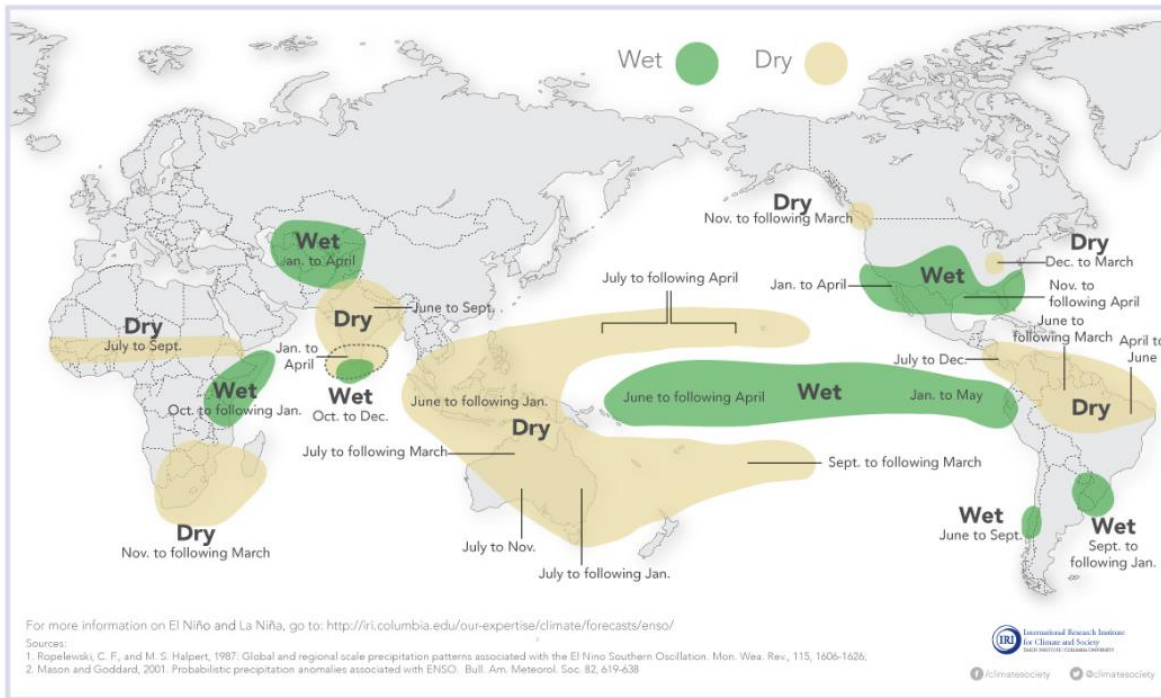
Geopolitics: a shifting world order



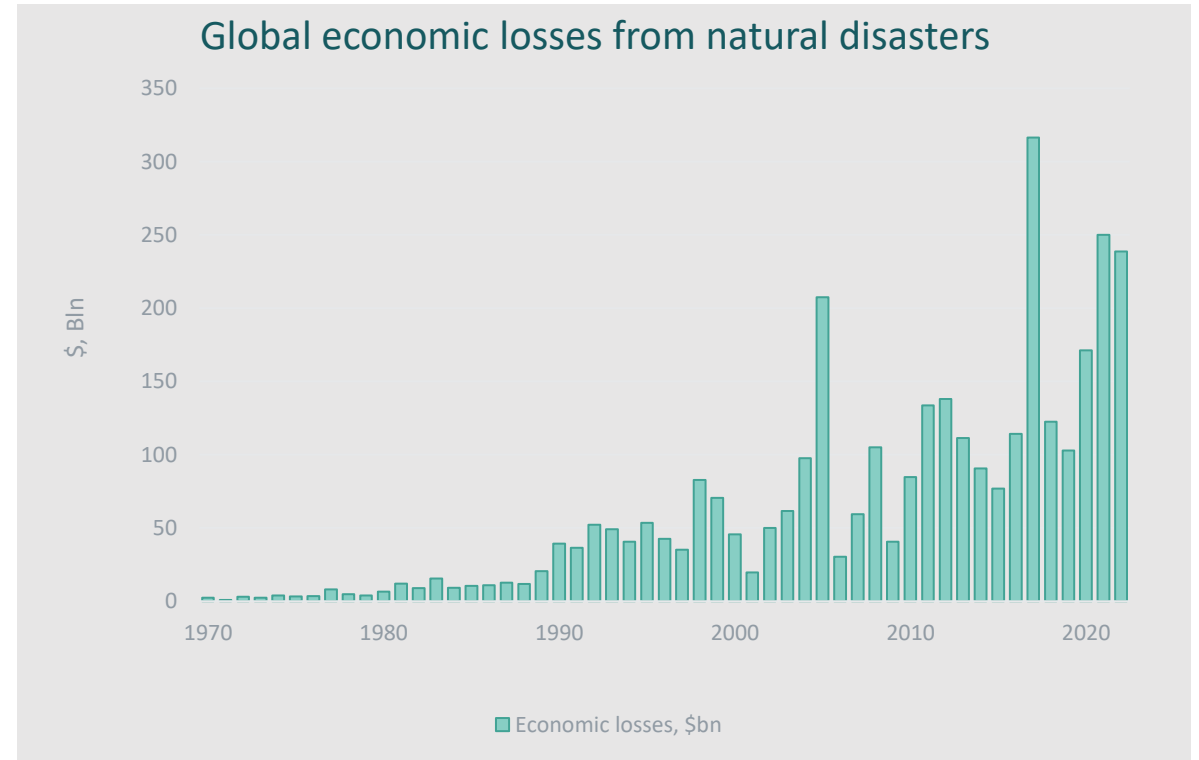
Over half the global population will be eligible to vote in 2024 national or regional elections, including 8 of the 10 most populous countries in the world!



Climate change



As we've entered the El Niño phase, forecasts are estimating 2024 may become the first year on record to break through the 1.5°C target set in the 2015 Paris Agreement!



...economic damage from weather events likely to rise

Scenarios to watch



Financial Stability – After the Tide Goes Out



Inflation Risk – getting more balanced?



Supply Chains – Fresh risks emerging



China – out of the woods?



Geopolitics – a shifting world order



El Niño – Turbulent start to 2024



T&IO Investment implications

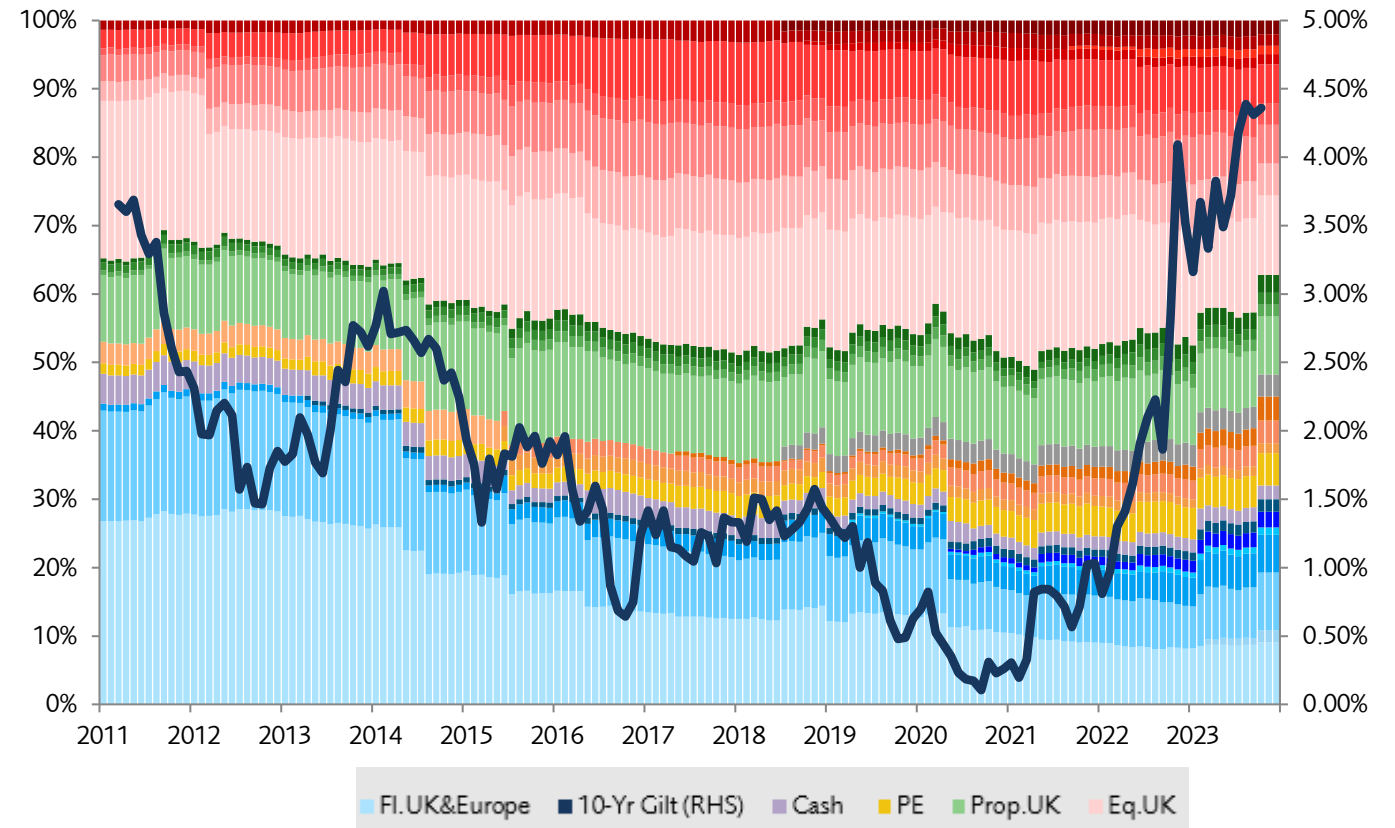
Investment implications

**Fixed Income –
Recalibrating the
compass**

**Going beyond
equities and bonds
for diversification**

**Geographical
diversity remains
key in a multi-polar
world**

**Dynamic SAA
amid shorter
economic cycles**

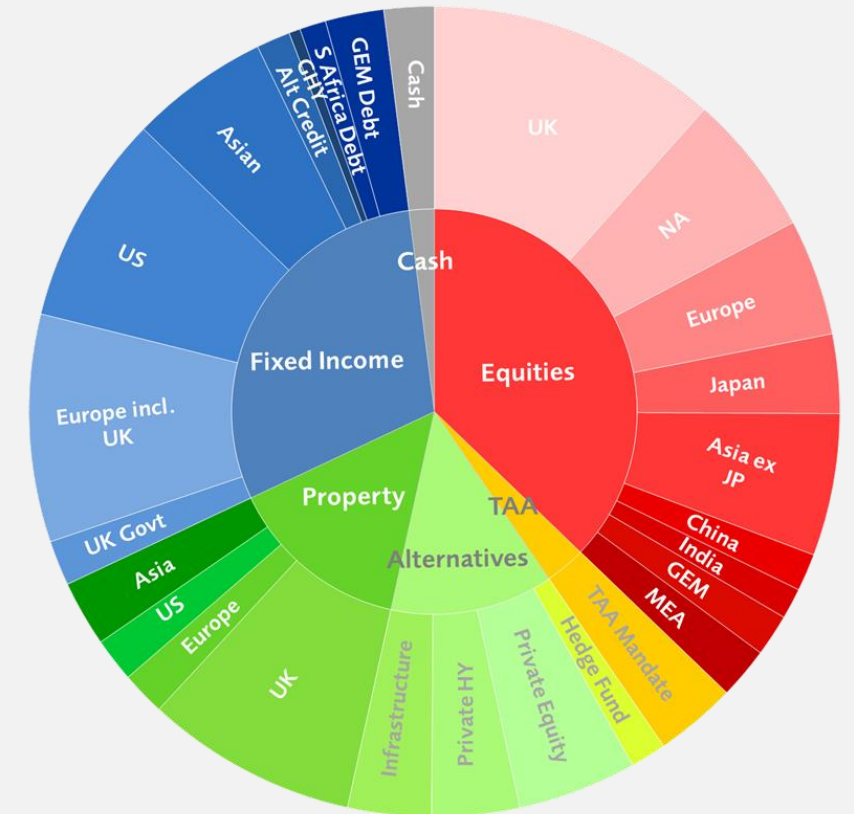


With-profits main asset share fund (“OBMG”) Strategic Asset Allocation

2023 Strategic Asset Allocation (Risk reduction)

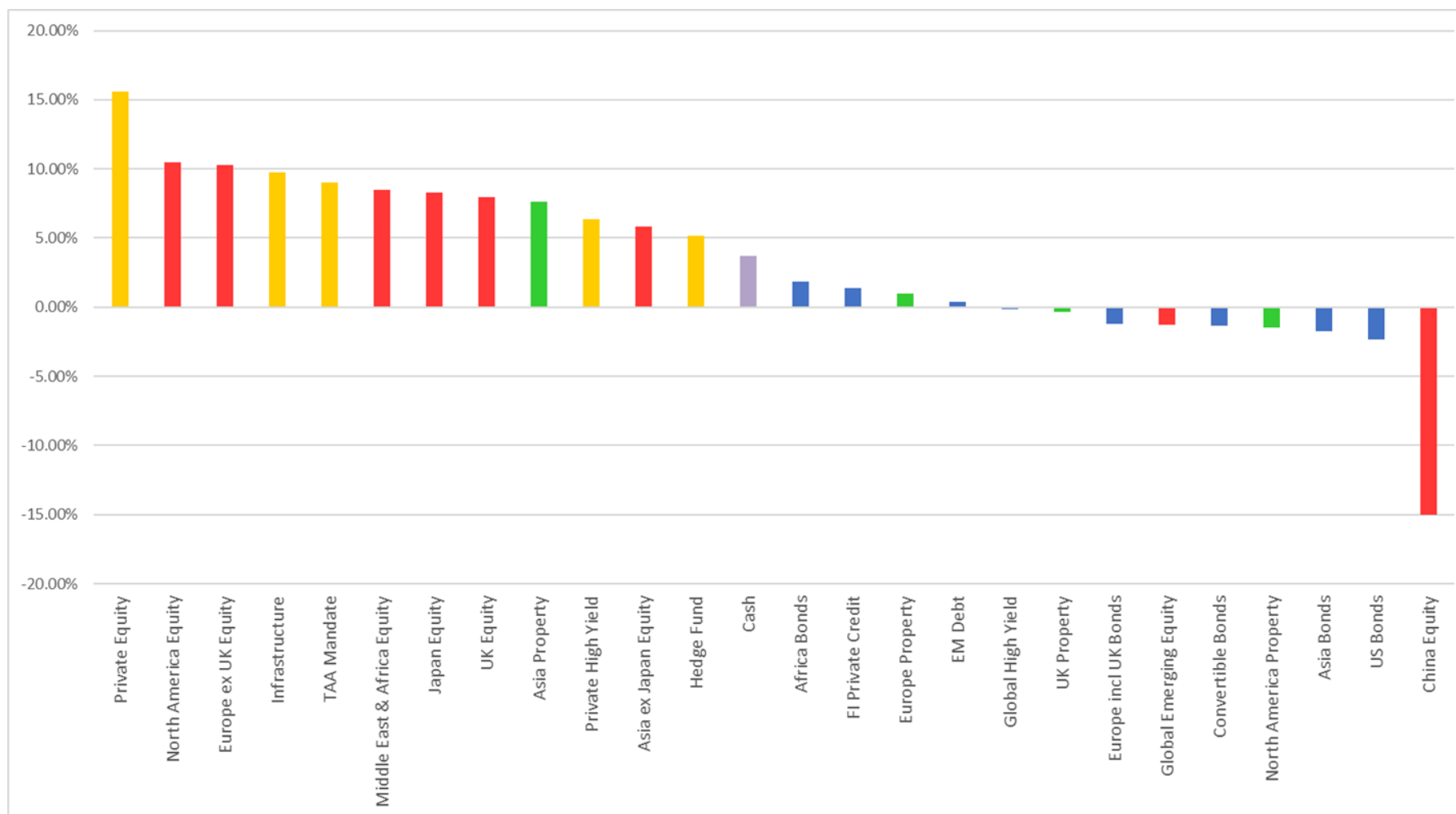
- The pie chart shows the 2023 SAA for the With-Profits main asset share fund.
- The SAA review in Feb 2023 led to a meaningful **rebalancing** of fixed income relative to equities for PruFund Growth and PruFund Cautious. Later in the year with central banks raising interest rates to rein in inflation, developed market yields reached not seen since 2007. This combined with the developments in the Middle East, led us to a further **move to fixed income** in Q4 2023.
- This led to a move out of Equities (primarily UK, Asian and European equities) into Fixed Income (mainly UK/US Government and Investment grade bonds).
- We maintained exposure to **real assets**. In some cases, where access to alternative assets has already been unlocked, or where there is already a high percentage in fixed income, some allocation was diverted to real assets

OBMG SAA 2023



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

The fund's allocation and diversification played a critical role post-covid (Dec-2020 to Dec-2023)



The graph illustrates the benefit of a diversified asset allocation in adverse market conditions. Alternative Assets (yellow) and some real estate (green) and most equity markets (red) offset the low or negative returns experienced in Fixed income and a couple of equity markets assets over the 3 years to end 2023.

* Source: M&G Performance as at 31/12/2023. US and European bond sleeves are hedged and show hedged returns.

Post COVID performance in review (3 years to end Dec 2023)

A challenging period for peers and Gilts with PruFund providing steady returns





2024 Bonus declaration - product level returns

Paul Fidell

How does all this translate for customer returns?

- In 2023, our globally diversified With-Profits Fund produced a positive return in changeable, and fast moving, economic conditions. So, this year:
- Annual bonus rates have either been increased or maintained at the same level as we declared last year, which will continue to add to the guaranteed benefits of customers' plans.
- Final bonus rates for most customers have increased when compared to those declared last year, which means that most customers will see an increase in the value of their plans compared to last year. Final bonus may vary and isn't guaranteed.
- We're also delighted to have additional money in our With-Profits Sub Fund to share with some of our With-Profits customers at this bonus declaration which increases the unsmoothed value of their plans by 1.25%. The amount being shared is £1bn. The additional shared is reflected in our final bonuses from this year. You shouldn't expect to get additional money in the future. There's also a chance we might have to take back the additional money distributed this year (or in previous years) in future but, unless something very unusual happened, we wouldn't expect to have to do this. You can find out more details on our website at: www.pru.co.uk/aboutadditional surplus



How does all this translate for customer returns?

- We aim to provide fair pay-outs based on what the Fund has achieved over the longer term after taking into account the effects of charges, smoothing and any applicable tax.
- In 2024, the team will continue to take decisions that allow them to manage the Fund prudently. We'll aim to secure the highest total return for the Fund (after any tax and investment expenses) while maintaining an acceptable level of risk and protecting our customers.



2024 Bonus declaration – onshore bonds

Regular Bonus rates

Flexible Investment Plan

	Regular bonus rate %		New money rate* %	
	2024	2023	2024	2023
Optimum Return Fund (Initial charge option)	2.25	1.75	5.05	3.45
Optimum Return Fund (No initial charge option)	2.25	1.75	4.75	3.15
Optimum Bonus Fund (Initial charge option)	2.75	2.25	4.80	3.15
Optimum Bonus Fund (No initial charge option)	2.75	2.25	4.50	2.85

* 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)	£15,684	4.6%
Average mixed investment 20-60 shares unit trust *	£14,703	3.9%
Average mixed investment 20-60 shares unit-linked life fund **	£13,026	2.7%

* 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 2023 and are then projected through to 1 May 2024 at 6.5 per annum net. FIP is Initial Charge version, Optimum Return Fund

Source: Prudential's Bonus Declaration – February 2024. All figures are as at 1 May 2024 and after tax and charges.

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.

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 2024	Value in 2023	Year on year increase in value ⁽¹⁾	
				£	return over the year %
2019	5	£12,015	£11,567	£448	3.9
2017	7	£12,806	£12,335	£471	3.8
2014	10	£15,684	£15,069	£615	4.1
2004	20	£30,390	£28,975	£1,415	4.9

Based on FIP, Optimum Return Fund, initial charge option

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

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.



2024 Bonus declaration – offshore bonds

Fund returns and asset allocations

Fund return	Sterling %	Euro %	Dollar %
2023	4.29	7.41	10.11

Asset allocation (31/12/2023)	GBP sub fund %	Euro sub fund %	Dollar sub fund %
UK Equities	11.8	5.0	4.7
Overseas Equities	26.9	34.5	33.6
Property	13.4	11.8	11.0
Alternative Assets	12.5	8.6	8.8
Corporate Bonds	30.4	35.3	37.2
Cash	5.0	4.8	4.7

Source: Treasury and Investment Office

Regular Bonus rates

International Prudence Bond

	Regular bonus rate %		New money rate* %	
	2024	2023	2024	2023
Sterling With-Profits	1.75	1.75	6.605	4.55
Euro With-Profits	1.25	1.25	5.70	3.75
Dollar With-Profits	1.25	1.25	6.55	4.55

* 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 2024 until bonuses are next declared.

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

Plans taken out in March 2002

	Single Premium	Value in 2024	Year on year increase in value	return over the year %
Sterling With-Profits	£100,000	£356,025	£10,552	3.05
Euro With-Profits	€150,000	€378,099	€19,936	5.57

Plans taken out in March 2003

	Single Premium	Value in 2024	Year on year increase in value	return over the year %
US Dollar With-Profits (launched Dec 2022)	\$150,000	\$396,021	\$29,373	8.01

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.

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.



2024 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 2024)

	Total pay out	Annualised return
Prudential With-Profits Individual Pension	£87,678	6.1%
Average mixed investment 20-60 shares unit trust *	£77,187	4.5%
Average mixed investment 20-60 shares unit-linked pension fund **	£72,359	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 2023 and are then projected through to 1 May 2024 at 7.8 per annum gross. **FRP only available since Aug 2005.**

Source: Prudential's Bonus Declaration – February 2024. All figures are as at 1 May 2024 and after charges.

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.

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 2024	Value in 2023	Year on year increase in value	
				£	return over the year * %
2019**	5	£13,752	£10,767	£2,985	4.8
2014**	10	£30,562	£27,023	£3,539	4.0
2009**	15	£55,510	£51,009	£4,501	4.0
2004***	20	£87,678	£81,950	£5,728	3.9

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

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.



2024 Bonus declaration - annuities

With-Profit Annuity

	Regular Bonus Rate %	
	2024	2023
With-Profit Pension Annuity	1.75	0.75

With-Profit Annuity

Bonus year of entry	Duration	2024 Additional Bonus Rates %	2023 Additional Bonus Rates %	2024 Average yearly increase in income since purchase* %
1991/92	32	327.00	313.00	7.8
1992/93	31	364.00	349.00	8.0
1993/94	30	241.00	229.00	6.8
1994/95	29	278.00	267.00	7.2
1995/96	28	246.00	234.00	6.8
1996/97	27	236.00	224.00	6.7
1997/98	26	198.00	188.00	6.2
1998/99	25	185.00	175.00	6.0
1999/00	24	178.00	168.00	5.9
2000/01	23	152.00	144.00	5.5
2001/02	22	169.00	159.00	5.8
2002/03	21	212.00	203.00	6.6
2003/04	20	213.00	202.00	6.8
2004/05	19	177.00	167.00	6.3
2005/06	18	146.00	137.00	5.9
2006/07	17	116.00	109.00	5.3
2007/08	16	110.00	102.00	5.2
2008/09	15	142.00	135.00	6.3
2009/10	14	185.00	175.00	7.8

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
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%
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%	
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%		
6/4/11 to 5/4/12	6.00%	4.50%	6.50%	7.00%	4.00%	8.00%	11.0%	1.00%	13.00%	2.50%	15.00%	2.00%	6.50%			
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%				
6/4/13 to 5/4/14	6.00%	6.00%	3.00%	8.00%	11.0%	1.50%	13.00%	2.50%	14.50%	1.00%	6.00%					
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%						
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%							
6/4/16 to 5/4/17	6.00%	8.00%	1.00%	12.50%	2.00%	14.00%	1.00%	6.00%								
6/4/17 to 5/4/18	6.00%	1.00%	6.50%	0.50%	10.00%	1.00%	6.00%									
6/4/18 to 5/4/19	4.50%	6.50%	0.50%	10.00%	1.00%	5.50%										
6/4/19 to 5/4/20	4.50%	0.50%	10.00%	1.00%	6.00%											
6/4/20 to 5/4/21	4.50%	10.00%	1.00%	6.00%												
6/4/21 to 5/4/22	9.00%	1.00%	6.00%													
6/4/22 to 5/4/23	4.50%	6.00%														
6/4/23 to 5/4/24	6.00%															

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	Required Smoothed Return (RSR) 2024	
Effective date of annuity	MIN (%)	MAX (%)
09 March 2009 to 05 April 2009	5.4	0.5
06 April 2009 to 05 April 2010	5.0	0.0
06 April 2010 to 05 April 2011	5.0	0.0
06 April 2011 to 05 April 2012	5.4	0.5
06 April 2012 to 05 April 2013	5.0	0.0
06 April 2013 to 05 April 2014	6.0	1.0
06 April 2014 to 05 April 2015	5.0	0.0
06 April 2015 to 05 April 2016	5.5	0.5
06 April 2016 to 05 April 2017	6.0	1.4
06 April 2017 to 05 April 2018	6.0	1.4
06 April 2018 to 05 April 2019	5.5	1.0
06 April 2019 to 05 April 2020	6.0	1.4
06 April 2020 to 05 April 2021	6.0	1.4
06 April 2021 to 05 April 2022	6.0	1.4
06 April 2022 to 05 April 2023	6.0	1.4
06 April 2023 to 05 April 2024	6.0	1.4

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	Required Smoothed Return (RSR) 2024	
	MIN (%)	MAX (%)
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	5.2	0.3
06 April 2011 to 05 April 2012	5.4	0.4
06 April 2012 to 05 April 2013	5.4	0.4
06 April 2013 to 05 April 2014	6.3	1.2
06 April 2014 to 05 April 2015	5.8	0.8
06 April 2015 to 05 April 2016	5.8	0.7
06 April 2016 to 05 April 2017	5.9	1.4
06 April 2017 to 05 April 2018	4.3	-0.2
06 April 2018 to 05 April 2019	4.5	0.0
06 April 2019 to 05 April 2020	4.2	-0.3
06 April 2020 to 05 April 2021	4.2	-0.3
06 April 2021 to 05 April 2022	5.3	0.7
06 April 2022 to 05 April 2023	5.2	0.7
06 April 2023 to 05 April 2024	6.0	1.4

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.



Distribution of additional surplus

Distribution of additional surplus

- The inherited estate represents the major part of the working capital of the With-Profits Fund
- It supports current and future new business, provides solvency support, allows investment freedom for policyholder's asset shares and provides the smoothing and guarantees associated with with-profits business
- There is no specific target for its size
- A separate asset pool is maintained for the inherited estate. The investment strategy is designed to help meet guarantees and maintain regulatory solvency in adverse conditions

Distribution of additional surplus

- In accordance with FCA regulations, we regularly review whether there is an additional surplus in the inherited estate
- This is the fourth year, following 2020, 2022 and 2023, where it has been determined that we have such a surplus
- We have again decided to share this with eligible customers
- After the distribution, the inherited estate will continue to provide adequate capital to support current and future business, and also help provide greater investment flexibility for the long-term benefit of our customers
- There should be no expectation of future distributions from the inherited estate

Distribution of additional surplus – With Profit (non PruFund)*

- For those eligible; the unsmoothed value of plans has been increased by 1.25%
 - Our final bonus rates will reflect the benefit of this change from 1 April 2024**
 - The increase will also be reflected in any final bonuses we declare in the future***
 - The increase generally applies to customers who invested before 31 December 2023 and are still in With-Profits Sub Fund on 1 April 2024. So, any money taken out (including internal transfers to Retirement Account) prior to 1 April 2024 won't share in the surplus
- Full details of the distribution of excess surplus, including eligibility, can be found at www.pru.co.uk/aboutadditionalsurplus. **This date can vary depending on product. For further details see www.pru.co.uk/existing-customers/bonus-declaration/rates-table/. ***Your clients final bonus isn't guaranteed. There's also a chance we might have to take back this extra money in future, to protect the interests of all plan holders and the financial strength of the fund. Unless something very unusual was to happen, we wouldn't expect to have to do this.

Principles & Practices of Financial Management (PPFM)

5.3.2. If, in the opinion of the Board, the WPSF's inherited estate was no longer fully utilised in supporting current and expected future new business, then an "excess surplus" would exist in the sub-fund. In such circumstances, the Board would comply with the insurance company regulations regarding the treatment of excess surplus that were in force at the time the excess surplus arose. The current regulations state that if a firm has a with-profits fund containing an excess surplus, and to retain that surplus would be a breach of the FCA's and PRA's Principle 6 (Customers' interests), then the firm should make a distribution from that with-profits fund.



Summary

Summary

- The Prudential With-Profits Fund delivered a strong return in 2023 despite a fragile geo-political landscape and challenging market backdrop. Our global diversification paid off as most of our fixed income and regional equity portfolios performed well. Our cautious, 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 and one of the most financially robust with-profits funds in the UK, giving us the ability to invest in a wide range of assets and companies. We will keep an eye on markets and the risk that emerge over 2024 to best position the Fund to deliver for our customers.

Clive Bolton, Chief Investment Officer, M&G plc

Thanks for your time

Get in touch with your usual contact if you need further help.

