

# With-Profits Pension Fund

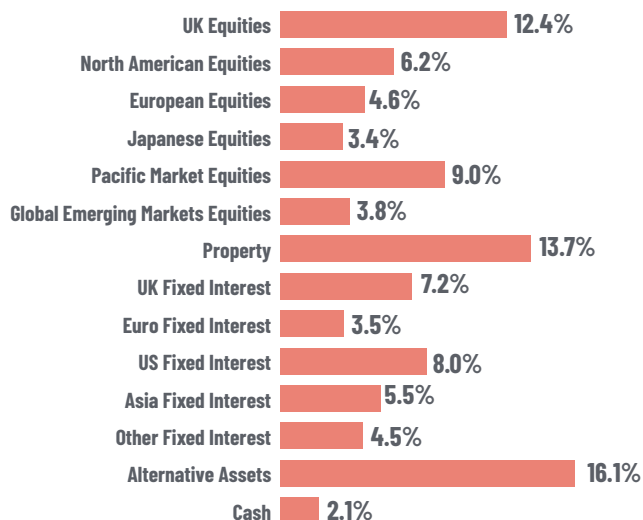
This is an investment option for our Flexible Retirement Plan and Trustee Investment Plan products. Our Income Choice Annuity is also linked to the performance of our With-Profits Fund.

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

## Fund aim

Objective: The fund aims to maximise growth over the medium to long term by investing in shares, property, fixed interest and other investments. The fund currently invests in UK and international equities, property, fixed interest securities, index-linked securities and other specialist investments.

## Asset allocation



Please note figures may not add up to 100% due to rounding. This is the asset allocation for the fund as at 31 December 2023. Asset allocations are regularly reviewed and may vary from time to time, but will always be consistent with the fund objective. Glossary of investment terms available at [pru.co.uk/glossary](https://pru.co.uk/glossary)

## Fund manager commentary – Q4 2023

Alongside falling bond yields, equities also began to climb from late October as investor risk appetite improved. The FTSE World Index advanced 6.9% in the fourth quarter (in sterling), taking the annual return for 2023 to 17.2%. The US was one of the best-performing markets – the S&P 500 Index gained 11.7% (in US dollars) to end the year up 26.3%. European stockmarkets registered healthy gains, amid excitement about potential rate cuts. However, the UK trailed the broader global market. Share prices in Asia Pacific ex Japan and emerging markets also underperformed, mainly on account of weakness in China. From a sector perspective, real estate was one of the best performers, along with information technology, while energy stocks had the weakest performance. The US dollar weakened against major currencies including sterling after the Federal Reserve signalled it would start to cut rates this year. Oil prices fell 22% despite production cuts and concerns about potential supply disruptions resulting from the conflict in the Middle East.

The M&G Treasury & Investment Office (T&IO) outlook is cautious as much uncertainty remains.

This commentary reflects the general views of individual fund managers and should not be taken as a recommendation or advice as to how any specific market is likely to perform.

## Top ten holdings\*

1	ISHARES JPMORGAN USD EMERGING MARKET	0.72%
2	TAIWAN SEMICONDUCTOR MANUFACTURING	0.52%
3	ASTRAZENECA PLC	0.50%
4	HSBC HOLDINGS PLC	0.47%
5	SHELL PLC	0.40%
6	ISHARES JPM EM LOCAL GOVT BOND UCI	0.35%
7	UNILEVER PLC	0.34%
8	DELTA CORP ZIM LTD	0.34%
9	BP PLC	0.33%
10	MICROSOFT CORP	0.28%

Figures as at 31 December 2023.

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

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

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

31.12.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018
-1.5%	12.0%	1.7%	11.5%	-2.8%

All figures to 31 December 2022. With-Profits performance is gross of tax, and before charges and the effects of smoothing.

## With-Profits Pension Fund – cumulative returns over 1, 5 & 10 years (before tax)

1 Year Cumulative Return	5 Years Cumulative Return	10 Years Cumulative Return
-1.5%	21.6%	90.2%

Source: Prudential. All figures to 31 December 2022. With-Profits performance is gross of tax, and before charges and the effects of smoothing. We can't predict the future. Past Performance isn't a guide to future performance.

The returns shown are the returns on the underlying assets and do not reflect the actual pay-outs on any plan. The actual returns on any plan are smoothed and whilst investment performance is normally the most important factor in determining the level of bonuses applied to Flexible Retirement Plans and Trustee Investment Plans, or the announced smoothed return for the Income Choice Annuity, other factors including charges, deductions and the effects of smoothing will also apply. For more information on smoothing, please refer to the relevant Your With-Profits Plan – A guide to how we manage the Fund. A further factor affecting the announced smoothed returns for our Income Choice Annuity is any changes in our assessment of how long Income Choice Annuitants might live.

For latest information on annual bonus rates, please refer to the following: [pru.co.uk/bonus\\_declaration\\_rates/](https://pru.co.uk/bonus_declaration_rates/)

### Flexible Retirement Plan and Trustee Investment Plan

The rate of growth of funds and any income from them cannot be guaranteed. The value of your investment depends on how much profit the Fund makes and how we decide to distribute it. The value of your investment can go down as well as up so you might get back less than you put in.

A Market Value Reduction (MVR) may be applied if you take money out of the With-Profits Fund. There are times we do not apply an MVR, for further details please see your Key Features Document.

### Income Choice Annuity

Changes in the income payable from an Income Choice Annuity will depend on the relationship between the Smoothed Return announced and the Required Smoothed Return needed to maintain the chosen income. The income from an Income Choice Annuity can fall as well as rise at the policy anniversary.

The Smoothed Return can be changed and is not guaranteed until it becomes payable at the next policy anniversary. There may be instances where we need to withdraw giving you the opportunity to change your income in the future. We'd do this to maintain the financial strength of the With-Profits Fund for the benefit of all our customers. For full details please see your Key Features Document.

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

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