

# Prudential's 2023 With-Profits Bonus Declaration

I'm pleased to announce, in 2022 our globally diversified With-Profits Fund performed very effectively in extremely challenging investment markets, providing some protection to our investors.

The Fund returned -1.5% (gross of tax) over 2022 before charges and the effects of smoothing\*. Please see information specific to your Plan to find out more.

This year Annual Bonus rates have either increased or been maintained at the same level as declared last year, which will continue to add to the guaranteed benefits of customers. Most of our customers will see small decreases in Final Bonus rates, but due to Annual Bonus additions will see small increases to their plan values.

I'm also delighted to announce we've shared additional money with some of our With-Profits customers at this bonus declaration. This is the third time in four years we've shared additional money, and the total amount shared now stands at £3.5 billion.

## We aim to provide fair pay-outs based on what the Fund has achieved

In 2023, we'll continue our prudent and long-term investment approach and aim 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'll also continue to smooth some of the extreme highs and lows of investment performance through our bonus process.

**Jack Daniels, Chief Investment Officer, M&G plc, said:**

*“Whilst 2022 was a challenging year for the Prudential With-Profits Fund, it performed well relative to peers. The global diversification again proved to be beneficial. While developed market fixed income and many regional equity portfolios produced negative returns, there was better news in our Asian, Indian and African equity mandates. Our real assets also fared well with real estate and alternative investments being positive contributors in aggregate. We also had strong returns from Tactical Asset Allocation during volatile markets.*

*Our prudent, long-term investment approach continues to provide positive returns to customers whilst protecting them from short-term volatility, such as we witnessed in 2022.*

*Our approach to setting bonuses allows us to continue to manage the Fund to secure the highest total return while maintaining an acceptable level of risk.*

*The Prudential With-Profits Fund is one of the largest and financially strongest in the UK. This allows us to be long-term investors in a very wide range of assets and individual companies. We will continue to monitor markets and seek new investment opportunities to further enhance the global diversification of the Fund.”*

## Further information

For more information on Prudential's Bonus Declaration and to get a copy of the bonus rates that apply to your scheme or plan, please contact [corporate.pension.enquiries@prudential.co.uk](mailto:corporate.pension.enquiries@prudential.co.uk)

### **Alastair Hogg**

Head of Corporate Pensions

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

We can't predict the future, so past performance isn't a guide to future performance. The rate of future bonuses can change at any time and can't be guaranteed.

Our Final Bonus rates include, where applicable, additional money, which is further to the additional money we shared in 2020 and 2022. Your Final Bonus isn't guaranteed. There's also a chance we might have to take back the additional money in future, to protect the interests of all customers and the financial strength of our With-Profits Fund. Unless something very unusual was to happen, we wouldn't expect to have to do this. You can find out more on our website at [pru.co.uk/aboutadditionalsurplus](https://pru.co.uk/aboutadditionalsurplus)