

Addendum

Principles and Practices of Financial Management – current information

1. With-Profits Sub-Fund (UK)

a) Asset mix

	31.12.2019 (%)	31.12.2018 (%)	31.12.2017 (%)	31.12.2016 (%)	31.12.2015 (%)
UK Equities	17.8	15.6	18.2	16.1	18.0
Overseas Equities	29.1	28.0	33.8	31.3	28.4
Other Equities	–	–	–	–	2.2
Property	13.7	15.8	14.1	15.2	16.1
Alternative Assets	9.1	9.3	5.5	6.6	3.7
Fixed Interest	28.5	30.0	26.3	26.4	29.1
Cash	1.8	1.3	2.1	4.4	2.5
Total	100.0	100.0	100.0	100.0	100.0

Prior to 31.12.2016 the “Alternative Assets” category was called “Other Investment Assets” in the table above. 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.

The information within this section, and within section b) below, shows investments attributable to with-profits business in the UK, but excludes:

- The with-profits business in SAIF (see overleaf).
- Investments attributable to the with-profits Prudence Bond Optimum Bonus (life with-profits series 3) business, PruFund Cautious and PruFund Protected Cautious

Funds and PruFund Investment Plan business written in the Growth & Income Fund. These products have a more cautious investment policy than the main with-profits fund.

- Investments attributable to the Risk Managed PruFund Funds, which have their own specific investment policies.
- The non sterling denominated business in the Defined Charge Participating Sub-Fund (DCPSF) written by Prudential International Assurance (PIA).
- We regularly review asset allocations and they may vary from time to time, but they’ll always be consistent with the Fund’s objectives.

b) Investment returns

	31.12.2019 (%)	31.12.2018 (%)	31.12.2017 (%)	31.12.2016 (%)	31.12.2015 (%)
Gross return	11.5	-2.8	10.3	14.5	3.6
Net return	9.6	-2.2	9.1	12.2	3.2

These figures are based on annual performance.

These returns are gross of tax (where applicable), charges and the effects of smoothing (for more information on smoothing, please refer to Your With-Profits Plan – A guide to how we manage the Fund).

Past performance isn’t a reliable indicator of future performance.

c) Fund size (this shows the total level of assets backing the with-profits business in the Fund, including DCPSF business, but excludes the with-profits business in SAIF (see overleaf)).

31.12.2019 (£bn)	31.12.2018 (£bn)	31.12.2017 (£bn)	31.12.2016 (£bn)	31.12.2015 (£bn)
117.6	104.3	103.0	91.0	78.5

2. Scottish Amicable Insurance Fund (SAIF)

a) Asset mix

	31.12.2019 (%)	31.12.2018 (%)	31.12.2017 (%)	31.12.2016 (%)	31.12.2015 (%)
UK Equities	15.6	14.3	17.0	16.9	17.3
Overseas Equities	28.1	26.2	32.9	33.1	27.7
Other Equities	–	–	–	–	2.7
Property	13.7	14.5	11.5	10.2	9.2
Alternative Assets	7.3	7.1	4.5	5.2	2.0
Fixed Interest	33.7	36.0	32.4	32.3	38.6
Cash	1.6	1.9	1.7	2.3	2.5
Total	100.0	100.0	100.0	100.0	100.0

Prior to 31.12.2016 the “Alternative Assets” category was called “Other Investment Assets” in the table above. 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.

We regularly review asset allocations and they may vary from time to time, but they’ll always be consistent with the Fund’s objectives.

These returns are gross of tax (where applicable), charges and the effects of smoothing (for more information on smoothing, please refer to Your With-Profits Plan – A guide to how we manage the Fund).

Past performance isn’t a reliable indicator of future performance.

b) Investment returns

	31.12.2019 (%)	31.12.2018 (%)	31.12.2017 (%)	31.12.2016 (%)	31.12.2015 (%)
Gross return	11.7	-2.8	10.3	14.9	2.6
Net return	9.7	-2.3	9.0	12.5	2.3

These figures are based on annual performance.

These returns are gross of tax (where applicable), charges and the effects of smoothing (for more information on smoothing, please refer to Your With-Profits Plan – A guide to how we manage the Fund).

Past performance isn’t a reliable indicator of future performance.

c) Fund size (this shows the total level of assets backing the with-profits business in the Fund).

31.12.2019 (£bn)	31.12.2018 (£bn)	31.12.2017 (£bn)	31.12.2016 (£bn)	31.12.2015 (£bn)
4.3	4.4	5.3	5.6	5.7