

Guardian Assurance With-Profit Fund (GAWPF)

Factsheet 2019

Investment objective

The Guardian Assurance With-Profit Fund is invested in a mixture of company shares (equities), fixed interest securities and cash deposits. We choose fixed interest securities and cash deposits to provide the fund with sufficient money at the right time to match the guaranteed benefits of the policies as they fall due. The benefits which are not guaranteed, such as terminal bonus, are backed by equity investments.

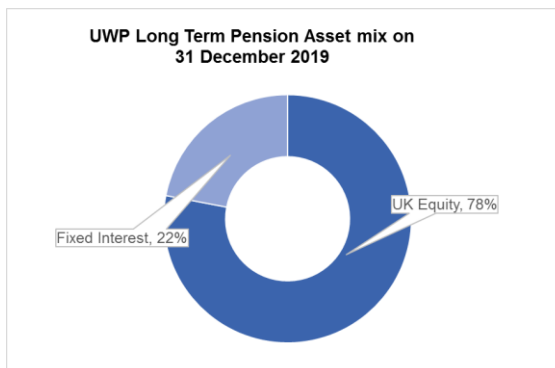
All policyholders' funds are pooled together, with Unitised With-Profits (UWP) policies having a different investment mix from Traditional with-profits policies. The asset mixes for the different types of policies are shown below. The published investment returns provided are for the assets that support policyholder benefits (rather than all the assets in the fund). These are the investments which most directly affect bonus rates, and hence the value of policies.

With-profits policies (including unitised with-profits) share in the profits and losses of the GAWPF by means of bonuses. However, it is important to note that, in addition to investment returns, bonus rates are also impacted by other factors, such as the guarantees attaching to a policy, smoothing, demographic experience and the overall solvency position of the fund. Please read our guides for more information (details provided below).

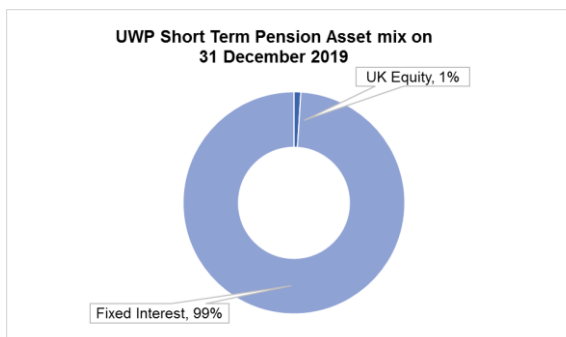
Unitised with-profit (UWP) pension policies

2019 investment returns

UWP Long Term Pension policies 16.9%



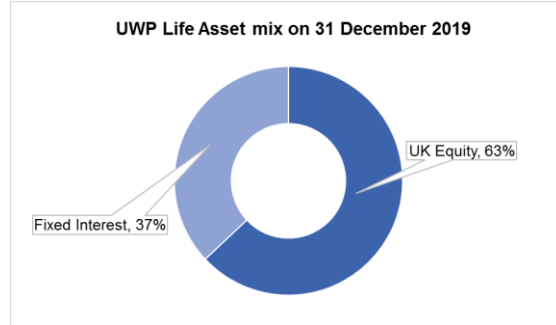
UWP Short Term Pension policies 1.7%



Unitised with-profit (UWP) life policies

2019 investment returns

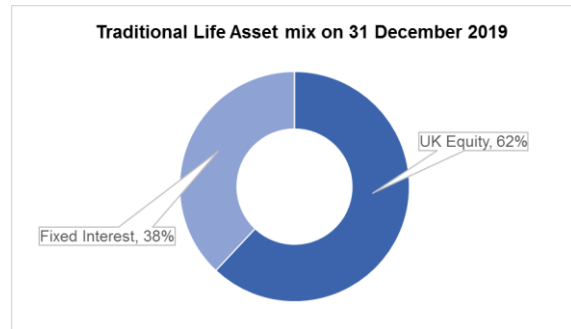
Life policies 13.8%



Traditional with-profit life policies

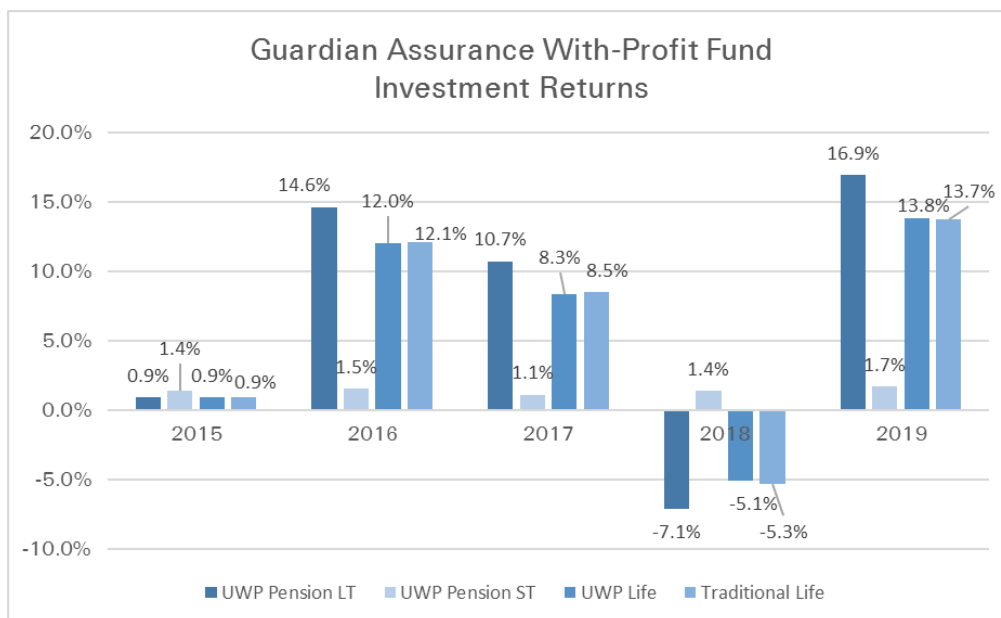
2019 investment returns

Life policies 13.7%



The investment mixes shown above were the actual allocation as at the end of 2019. There were no major changes to the asset mix during 2019.

Historic investment returns:



This document is provided for information only and so shouldn't be relied upon as sufficient information to make an investment decision. We strongly recommend you seek financial advice before making any investment decision.

Equity Investment Strategy

The current equity investment objective is to track the performance of an index that represents the 350 largest companies on the London Stock Exchange. This is achieved by investment in a BlackRock 350 UK Equity Tracker Fund.

Fund management

The fund adopts a close matching policy such that any guaranteed payouts including basic sums assured, annual bonuses and annuities in payment are matched in terms of size and timing by the projected cash flows from the fixed interest assets. Benefits that are not guaranteed, such as accrued terminal bonus, are generally backed by UK equities.

There are some documents available to download from www.reassure.co.uk/fund-centre, which will provide more information about how the fund is managed. Please choose the relevant guide for your policy from the list below.

- **A guide to how the Guardian Assurance With-Profit Fund is managed (unitised with-profits pensions and life)** - this guide is for Choices pensions and Freedom life policies
- **A guide to how the Guardian Assurance With-Profit Fund is managed (traditional with-profits life, whole of life and endowment)** - this guide is for Endowment and Whole of Life policies.
- **A guide to how the Guardian Assurance With-Profit Fund is managed (group pensions)** - this guide covers Deposit Administration, Pension Saver, Group Funding & Flexible Premium Plans (which are matched entirely by Fixed Interest securities).
- **A guide to how the Guardian Assurance With-Profit Fund is managed (traditional with-profits pensions)** - this guide is for Deferred Annuity policies where benefits are typically expressed in the form of a pension (although other benefit options are available). The investment strategy for these contracts follows that described above; i.e. that guaranteed payouts are matched in terms of size and timing by Fixed Interest securities and any accrued Terminal Bonus is backed by UK Equities.
- **Principles and Practices of Financial Management (PPFM)** - this is a more detailed version of the above documents.
- **Guardian With-Profit Fund Annual Board Report** – this confirms that we have followed all the PPFM rules in the opinion of ReAssure, the Fairness Committee and the With-Profits Actuary.