

Quarterly Investment Bulletin

Quarter 4 2023

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This Bulletin is intended for trustees, sponsors, advisers and members of occupational pension schemes using Prudential Group Pension contracts and Prudential Grouped Personal Pensions and Stakeholder Pension contracts. Its purpose is to provide an insight into how investment markets and funds have performed over the period and is provided for information only. If you are not familiar with any of the investment terminology contained in this bulletin please refer to the Glossary on pru.co.uk/guides_tools/glossary/ or contact your adviser.

The information contained in this report covers the period 30 September 2023 to 31 December 2023.

A quarterly market report including performance of your pension fund investments

- Economic and Market Review
- World Market Review
- Quarterly Fund Performance Data

Fund factsheets and other fund information are available on our website:

If you would like to view more recent information, we have teamed up with FundsLibrary to provide the following fund information:

- Daily fund prices
- Frequently updated fund factsheets
- Past performance data
- Fund analysis tools

Simply go to pru.co.uk/funds then select the link to Prudential Workplace Pension Fund Prices.

You can then use the filter options to get to the fund(s) you are interested in.

There are also guides to help you use and understand the information that FundsLibrary provide. You can download these guides on pru.co.uk/funds/tools2

If you would like to confirm the funds available to your particular scheme or contract, please check your plan conditions or contact your scheme adviser.

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The fund performance figures included in this update do not take account of the following factors:

- Fund manager dealing cycles – a possible adjustment for the short time-lag between a policyholder investing their money, the money passing through the accounting systems and then buying the underlying investments.
- Fund manager price basis movement – a possible adjustment to account for a move between the offer/bid price of the underlying fund as it is expanding or contracting.

Economic and Market Review

If you are unsure of the terminology used in the Economic and Market Review and the World Market Review, please refer to the Glossary on pru.co.uk/guides_tools/glossary/ or contact your adviser.

Economic Overview

Inflation steadily declined in the fourth quarter of 2023, following a year dominated by tight monetary policy. In the UK, headline inflation slowed to a two-year low, falling to an annualised rate of 3.9% in November, from 6.7% in September. In the US, the Consumer Price Index rose 3.1% on an annual basis in November. The eurozone also reported a drop in inflation, with annualised inflation reaching 2.4% in November, close to the European Central Bank's (ECB) 2% target.

Major central banks maintained a halt on rate hikes in the quarter, which fuelled investors' expectations that the current tightening cycle was over and policymakers might ease rates in 2024. At its latest meeting, the Federal Reserve (Fed) kept rates unchanged at the current range of 5.25%-5.50%, while revealing that policymakers expected three rate cuts next year. The Bank of England (BoE) held interest rates at 5.25%, while outlining a gradual decline to 4.25% by the end of 2026. The ECB also preserved its key rate at 4%, while highlighting expectations for a "decline gradually over the course of next year".

The trajectory of economies continued to diverge in the fourth quarter. With a strong labour market supporting consumer spending, the US economy grew at its fastest pace in nearly two years of 4.9% between July and September. Over the same time period, however, both the eurozone and UK economies contracted by 0.1%, fuelling concerns over recession as consumer spending and manufacturing activity continue to stagnate. Meanwhile, Japan's economy shrank by 2.1% from the previous quarter, on an annualised basis, amid weak demand and high inflation. In emerging markets, China's economy expanded 4.9%, year on year, in the third quarter, with exports growing for the first time in six months. The figures suggest a recovery from a demand slump amid the country's struggle with an ongoing property crisis, weak spending and high youth unemployment. Overall, global economic growth, despite demonstrating resilience this year, remains subdued and is expected to weaken in the year ahead, amid an environment of tight monetary policy, inflation and geopolitical tensions.

Market overview

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 Fed 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.

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UK equities

The UK stockmarket ended 2023 on a positive note, with solid gains in the fourth quarter. However, the UK was one of the weaker regions globally, trailing the US and Europe, with concerns about the UK's subdued economy weighing on sentiment. The economy shrank in the third quarter, following zero growth in the second quarter. Encouragingly, inflation fell to 3.9% in November, and expectations that the Bank of England might cut interest rates in 2024 helped share prices climb from late October. Real estate and utilities, two sectors that are perceived to be sensitive to interest rates, registered healthy gains. Industrials and information technology also rallied. In contrast, defensive areas such as consumer staples and healthcare were laggards. Energy stocks fell as oil prices weakened. In terms of size, small – and mid-cap stocks outperformed their larger counterparts in the FTSE 100 Index.

UK bonds

UK government bonds (gilts) returned 8.1% in the fourth quarter of 2023, outperforming both US government bonds (treasuries) and German government bonds (bunds). Gilts were supported by increased expectations of interest rate cuts by the Bank of England, as annual inflation eased to 3.9% in November; the market is pricing in six cuts for 2024. Having risen in October, the yield on the benchmark 10-year gilt subsequently fell in November and December to end 2023 at 3.6%, down from 4.4% at the end of the third quarter. Amid falling yields, longer dated gilts, particularly those over 15 years, delivered significant returns. UK corporate bonds also rose, returning 7.3% in the fourth quarter.

International bonds

Bond markets avoided a third consecutive year of losses as the fourth quarter of 2023 saw a two-month rally in bond prices driven by increased expectations of interest rate cuts by major central banks in 2024. Bond yields fluctuated throughout the quarter – the US 10-year Treasury yield reached 5.0% in October, its highest level since 2007, before retreating on the back of falling inflation figures and the prospect of interest rate cuts. The 10-year yield ended the year at 3.87%, broadly in line with its level at the start of 2023, which translated into a return for the quarter of 6.8% (in US dollars). UK government bonds (gilts) and German government bonds (bunds) also registered healthy gains, along with corporate bonds. Emerging market (EM) bonds performed well too, supported by the prospect of interest rate cuts and a softening US dollar, which helped EM currencies experience their best year since 2017.

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North America

US equities rounded off the year with a powerful rally in the fourth quarter of 2023. After declines in October, share prices then soared as investors become increasingly optimistic that the Federal Reserve had ended its interest rate hiking cycle. With annual inflation falling to 3.1% in November and the economy remaining resilient, hopes of rate cuts in 2024 helped the S&P 500 Index climb towards all-time highs. Information technology was one of the best-performing sectors, adding to its gains in previous quarters. Real estate, a sector that is perceived as being sensitive to interest rates, rallied, along with financials and industrials. In contrast, energy stocks fell heavily, while more defensive areas, notably consumer staples and healthcare, lagged the broader market.

Europe

European equities rallied in the fourth quarter of 2023, as hopes of interest rate cuts lifted investor sentiment. Europe was one of the best-performing regions globally and the gains helped European shares deliver an annual return of around 18% (in euro terms). The European Central Bank kept interest rates on hold during the quarter and, with the annual rate of inflation in the eurozone falling to 2.4% in November, investors became increasingly optimistic that policymakers would start to cut rates in 2024. Against a backdrop of falling bond yields, the real estate and utilities sectors rallied. Industrials, information technology and materials also outperformed the broader market. In contrast, energy, consumer staples and healthcare were notable laggards. Sweden and the Netherlands were two of the best-performing markets, whereas Norway was one of the weakest.

Japan

In common with other markets around the world, the Japanese stockmarket rallied strongly from late October onwards, on the back of hopes that interest rates in other major economies had peaked and would begin falling in 2024. Over the quarter as a whole, however, Japan lagged other markets, in sterling terms. Interest rates remain very low, with the Bank of Japan (BoJ) holding overnight interest rates at – 0.1% and managing 10-year government bond yields, through its so-called “yield curve control policy”. During the quarter, data released showed business confidence improving, but the whole economy contracted more than expected in the third quarter. In early November, the Japanese government announced a package of measures aimed at stimulating the economy which included cuts in income and residential taxes and support for low-earning households.

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Pacific Basin Ex-Japan

Asia Pacific ex Japan lagged the global equity market in the fourth quarter, not helped by the weak performance of China and Hong Kong, which together represent a sizeable weight of the regional index in market capitalisation terms. Some investors continue to be concerned by the lacklustre growth of the Chinese economy and problems in its property sector. Sentiment was also hurt by a cut in the country's credit outlook to negative, by ratings agency Moody's. Other markets that lagged the regional index included Singapore, Thailand and the Philippines. Better-performing markets included India, South Korea and Taiwan. India's stockmarket has benefited from significant interest from investors attracted by the robust economic growth of the world's most populous country. Taiwan and South Korea benefited from strength in the technology sector, which represents a significant proportion of both markets.

Emerging markets

Overall, emerging markets lagged the broad global equity market in the fourth quarter, largely held back by the performance of China. Some investors continue to be concerned by the lacklustre growth of the Chinese economy and problems in its property sector. Eastern European markets were well supported, with Poland the standout performer. Shares in Poland responded positively to the victory of pro-European opposition parties in the parliamentary election. Meanwhile, Middle Eastern markets were generally laggards, on the back of a weaker oil price, which slipped during the quarter, despite production cutbacks by OPEC+. Stockmarkets in Latin America shone, with Argentina, Peru, Mexico and Brazil being the pick of the region. Shares in Argentina responded positively to the election of Javier Milei as president, whilst Brazil's stockmarket hit a record high after its central bank cut interest rates and flagged that they had further to fall.

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Quarterly Fund Performance Data

The following pages show past performance of each fund over different time periods. Figures are sourced by Prudential using data supplied by FE fundinfo (FE) or from the underlying fund groups.

Below is the list of all series 1 funds available under Defined Contribution (DC) products. The performance shown is net of the Annual Management Charge and is based on the fluctuation of the daily published (unit) price.

These funds are generally available to:

- Prudential Money Purchase Plans taken out before April 2003 which have not been through the contract changes taking place from 2005
- Prudential Group Personal Pension Plans taken out before April 2001 which have not been migrated to a new contract since 2003

Not all of the funds are available for every DC product.

If you are in any doubt as to which funds you are invested in, please contact your pensions department (for scheme members), usual Prudential contact (for trustees and advisers) or refer to the "Fund Guide" for the scheme.

Fund Series 1	Percentage Growth					Quarter	Annualised	
	31/12/18 to 31/12/19	31/12/19 to 31/12/20	31/12/20 to 31/12/21	31/12/21 to 31/12/22	31/12/22 to 31/12/23		3 Year	5 Year
Cash S1 Fund Performance	0.0	-0.6	-0.7	0.5	4.0	1.1	1.2	0.6
SONIA 7 Days	0.6	0.1	0.0	1.3	4.6	1.3	1.9	1.3
Discretionary S1 Fund Performance	13.3	2.9	11.8	-9.5	8.3	5.5	3.1	5.0
Prudential Custom BM Discretionary	14.3	4.9	9.9	-4.6	9.5	5.9	4.7	6.6
Fixed Interest S1 Fund Performance	6.1	8.5	-5.1	-24.5	3.8	8.7	-9.4	-3.1
Prudential Custom BM Fixed Interest	6.9	8.3	-5.2	-24.8	3.6	8.5	-9.6	-3.1
Global Equity S1 Fund Performance	17.0	-1.9	15.2	-5.0	7.8	3.4	5.7	6.2
Prudential Custom BM Global Equity	19.2	-0.6	15.3	-2.3	9.0	4.1	7.1	7.8
Index-Linked S1 Fund Performance	6.7	12.1	5.2	-38.3	0.5	11.5	-13.3	-4.9
Prudential Custom BM Index-Linked	6.8	12.4	4.2	-38.2	1.0	11.5	-13.4	-4.8
International Equity S1 Fund Performance	15.0	6.1	14.2	-2.7	11.3	4.5	7.3	8.6
Prudential Custom BM International Equity	19.3	14.7	10.9	-6.3	10.5	5.1	4.7	9.5
UK Equity S1 Fund Performance	18.5	-7.3	15.8	-6.5	6.2	2.6	4.8	4.8
FTSE All-Share Index	19.2	-9.8	18.3	0.3	7.9	3.2	8.6	6.6

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We can't predict the future. Past performance isn't a guide to future performance. The value of your investment can go down as well as up so you might get back less than you put in.

For more information on how the fund performance is calculated please refer to the Important Information on page 16.

For details of the specific benchmark for your fund, please refer to the fund factsheet. You can find it on our website pru.co.uk/funds. Simply select "View fund information", under the heading "Workplace Pension fund prices and factsheets".

Below is the list of all series 3 funds available under Defined Contribution (DC) products. The performance shown does not allow for any product charges and is based on the fluctuation of the daily published (unit) price.

These funds are generally available to:

- Prudential Group Stakeholder contracts
- Prudential Group AVC schemes
- Prudential Money Purchase Plans taken out since April 2003 (or earlier contracts which have undergone the contract changes that have taken place since 2005)
- Prudential Company Pension Transfer Plan and Prudential Group Personal Pension Plans taken out since April 2001 (including the replacement contracts for earlier plans) which have been migrated since 2003

Not all of the funds are available for every DC product.

If you are in any doubt as to which funds you are invested in, please contact your pensions department (for scheme members), usual Prudential contact (for trustees and advisers) or refer to the "Fund Guide" for the scheme.

Fund (Series 3)	Percentage Growth					Quarter	Annualised	
	31/12/18 to 31/12/19	31/12/19 to 31/12/20	31/12/20 to 31/12/21	31/12/21 to 31/12/22	31/12/22 to 31/12/23		3 Year	5 Year
All Stocks	11.7	10.4	-3.3	-16.8	9.3	7.2	-4.2	1.6
Corporate Bond								
IBOXX Sterling	9.3	7.8	-3.1	-17.7	8.6	7.3	-4.7	0.4
Non-Gilts Index								
Cash	0.8	0.2	0.0	1.3	5.0	1.4	2.1	1.4
SONIA 7 Days	0.6	0.1	0.0	1.3	4.6	1.3	1.9	1.3
Discretionary	14.1	3.6	12.4	-8.6	9.3	5.7	4.0	5.8
Prudential Custom BM Discretionary	14.3	4.9	9.9	-4.6	9.5	5.9	4.7	6.6
Dynamic Global Equity Passive	NA	NA	13.5	-4.5	8.7	5.5	5.6	NA
Prudential Custom BM Dynamic Global Equity Passive	NA	NA	14.1	-3.3	10.1	5.0	6.7	NA
Dynamic Growth I	12.8	7.9	1.0	-11.2	8.2	6.8	-1.0	3.4
Prudential Custom BM Dynamic Growth I	11.3	6.6	1.4	-11.4	8.3	6.3	-0.9	2.9
Dynamic Growth II	14.1	7.4	3.2	-10.0	8.3	6.7	0.2	4.3
Prudential Custom BM Dynamic Growth II	12.5	6.2	3.3	-10.1	8.8	6.1	0.4	3.9

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	Percentage Growth						Annualised	
Fund (Series 3)	31/12/18 to 31/12/19	31/12/19 to 31/12/20	31/12/20 to 31/12/21	31/12/21 to 31/12/22	31/12/22 to 31/12/23	Quarter	3 Year	5 Year
Dynamic Growth III	15.1	6.9	5.0	-8.8	8.4	6.5	1.3	5.0
Prudential Custom BM Dynamic Growth III	13.7	5.8	5.3	-8.8	9.4	6.0	1.6	4.8
Dynamic Growth IV	16.3	5.9	7.4	-7.8	8.8	6.4	2.5	5.8
Prudential Custom BM Dynamic Growth IV	15.2	5.2	7.5	-7.4	10.0	5.9	3.1	5.8
Dynamic Growth V	17.9	5.3	9.6	-6.6	9.3	6.4	3.8	6.8
Prudential Custom BM Dynamic Growth V	16.6	4.6	10.1	-5.8	10.7	5.7	4.7	7.0
Europe Equity Index	19.5	7.6	16.7	-7.1	15.3	7.6	7.7	10.0
FTSE World Europe ex-UK Index	20.4	8.6	17.4	-7.0	15.7	7.6	8.1	10.6
Fixed Interest	7.4	9.3	-4.5	-23.4	4.6	8.8	-8.6	-2.2
Prudential Custom BM Fixed Interest	6.9	8.3	-5.2	-24.8	3.6	8.5	-9.6	-3.1
Global Equity	17.7	-1.2	15.9	-4.1	8.7	3.6	6.5	7.1
Prudential Custom BM Global Equity	19.2	-0.6	15.3	-2.3	9.0	4.1	7.1	7.8
Index-Linked	7.5	12.8	5.9	-37.2	1.2	11.5	-12.4	-4.0
Prudential Custom BM Index-Linked	6.8	12.4	4.2	-38.2	1.0	11.5	-13.4	-4.9
Index-Linked Passive	7.2	12.1	4.3	-38.0	1.1	11.4	-13.2	-4.7
Prudential Custom BM Index-Linked	6.8	12.4	4.2	-38.2	1.0	11.5	-13.4	-4.9
International Bond	1.3	7.6	-5.0	2.5	-2.3	3.0	-1.6	0.7
Barclays Global Agg Treasury Custom >\$3Bln from 18.06.13	1.1	6.0	-5.9	-6.2	-2.2	3.1	-4.8	-1.5
International Equity	15.8	6.8	14.8	-1.8	12.0	4.7	8.1	9.3
Prudential Custom BM International Equity	19.3	14.7	10.9	-6.3	10.5	5.1	4.7	9.5

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Fund (Series 3)	31/12/18 to 31/12/19	31/12/19 to 31/12/20	31/12/20 to 31/12/21	31/12/21 to 31/12/22	31/12/22 to 31/12/23	Quarter	3 Year	5 Year
Japan Equity Index	13.9	9.8	1.9	-4.8	13.2	3.3	3.2	6.6
FTSE Japan Index	14.8	11.1	2.5	-4.8	13.2	3.6	3.4	7.1
Long Dated Corporate Bond	18.9	16.2	-5.4	-32.4	8.6	14.7	-11.4	-0.8
iBoxx Sterling Over 15 Years Non Gilts Index	17.4	14.8	-5.8	-34.4	10.6	15.1	-11.9	-1.6
Long Term Bond	15.5	15.3	-6.1	-36.6	6.4	14.4	-14.1	-3.3
Prudential Custom BM Long Term Bond	14.7	14.6	-6.5	-37.3	6.0	14.6	-14.7	-4.0
Long-Term Gilt Passive	12.2	13.8	-7.1	-39.9	1.8	14.2	-17.2	-6.2
Prudential Custom BM Long-Term Gilt Passive	12.0	13.9	-7.3	-40.1	1.5	14.0	-17.4	-6.4
Long Term Growth Index	19.4	2.8	15.4	-3.9	10.7	4.6	7.0	8.5
Prudential Custom BM Long Term Growth Passive	19.3	4.0	14.9	-3.9	10.5	5.1	6.9	8.7
North America Equity Index	25.6	14.7	28.3	-8.2	18.2	6.9	11.7	14.9
FTSE World North America Index	26.5	16.4	28.1	-8.8	19.4	7.1	11.8	15.5
Overseas Equity Index	19.3	12.5	13.3	-6.6	12.1	6.3	5.9	9.8
Prudential Custom BM Overseas Equity Passive	19.4	14.2	12.9	-6.7	12.0	6.1	5.6	10.0
Asia Pacific (ex-Japan) Equity Index	14.5	17.3	7.2	-6.1	6.1	8.5	2.2	7.5
FTSE World Asia ex-Japan Index	14.9	17.6	8.2	-5.3	8.3	8.5	3.6	8.5
Positive Impact	NA	NA	14.6	-7.4	2.4	4.5	2.8	NA
MSCI ACWI Index	NA	NA	20.1	-7.6	15.9	6.4	8.8	NA
UK Equity	19.3	-6.6	16.3	-5.6	6.9	2.8	5.5	5.5
FTSE All-Share Index	19.2	-9.8	18.3	0.3	7.9	3.2	8.6	6.6

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	Percentage Growth						Annualised	
Fund (Series 3)	31/12/18 to 31/12/19	31/12/19 to 31/12/20	31/12/20 to 31/12/21	31/12/21 to 31/12/22	31/12/22 to 31/12/23	Quarter	3 Year	5 Year
UK Equity Index	19.4	-9.9	18.2	-0.5	8.4	2.9	8.4	6.5
FTSE All-Share Index	19.2	-9.8	18.3	0.3	7.9	3.2	8.6	6.6
UK Smaller Companies	28.0	1.9	33.2	-25.1	4.2	8.3	1.3	6.3
FTSE Smaller Companies (ex Investment Trusts) Index	17.7	1.7	31.3	-17.3	10.4	6.5	6.2	7.5
Baillie Gifford Diversified Growth	14.0	3.4	8.9	-14.7	3.6	6.1	-1.3	2.6
UK Base Rate + 3.5%	4.3	3.7	3.6	5.0	8.3	2.2	5.6	5.0
Baillie Gifford Sustainable Growth	27.6	71.1	1.7	-33.6	13.8	9.8	-8.4	10.9
MSCI AC World Index	22.4	13.2	20.1	-7.6	15.9	6.4	8.8	12.2
Baillie Gifford UK Equity Core	25.9	-2.7	14.8	-13.3	5.6	4.5	1.7	5.2
FTSE All-Share Index	19.2	-9.8	18.3	0.3	7.9	3.2	8.6	6.6
BlackRock Aquila All Stocks Corporate Bond Index	9.7	7.3	-4.0	-16.2	6.6	7.5	-5.0	0.2
IBOXX Sterling Non-Gilts Index	9.3	7.8	-3.1	-17.7	8.6	7.3	-4.7	0.4
BlackRock Aquila Consensus	16.9	4.6	11.9	-5.0	7.8	5.7	4.6	7.0
Aquila Consensus Custom Benchmark	15.1	4.7	12.2	-6.2	9.7	5.3	4.9	6.9
BlackRock Aquila Emerging Markets Equity	14.6	13.5	-1.7	-10.7	3.6	4.2	-3.1	3.4
MSCI Emerging Markets Index	13.9	14.7	-1.6	-10.0	3.6	3.3	-2.8	3.7

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	Percentage Growth						Annualised	
Fund (Series 3)	31/12/18 to 31/12/19	31/12/19 to 31/12/20	31/12/20 to 31/12/21	31/12/21 to 31/12/22	31/12/22 to 31/12/23	Quarter	3 Year	5 Year
BlackRock Aquila Over 15 Years UK Gilt Index	12.9	11.5	-8.7	-37.7	-3.4	13.8	-18.1	-7.1
FTSE Actuaries UK Conventional Gilts Over 15 Years Index	12.0	13.9	-7.3	-40.1	1.6	14.4	-17.4	-6.3
BlackRock Aquila UK Equity Index	21.6	-9.9	19.4	0.0	5.6	4.5	8.1	6.7
FTSE All-Share Index	19.2	-9.8	18.3	0.3	7.9	3.2	8.6	6.6
BlackRock Aquila World ex-UK Index	26.1	12.8	21.6	-6.4	16.0	7.0	9.7	13.4
FTSE Developed Ex UK	22.6	14.0	22.2	-8.4	17.0	6.9	9.4	12.8
BlackRock Aquila Pacific Rim Equity	15.2	16.6	-0.2	0.0	1.6	6.9	0.5	6.4
FTSE All World Asia Pacific ex-Japan (Developed) Index	12.6	14.9	2.2	-1.6	4.8	7.7	1.8	6.4
HSBC Islamic Global Equity Index	28.8	22.5	27.0	-15.0	27.7	5.2	11.3	16.8
Dow Jones Islamic Markets Titans 100 CR	29.0	25.1	27.9	-14.9	27.9	6.5	11.7	17.6
LGIM Ethical Global Equity Index	25.6	10.3	25.4	-6.5	17.5	6.4	11.3	13.8
FTSE4Good Global Equity Index	25.1	11.6	24.8	-6.0	17.8	6.5	11.4	14.0
LGIM Ethical UK Equity Index	20.3	-9.7	16.4	0.9	7.3	4.0	8.0	6.5
FTSE4Good UK Equity Index	19.6	-11.3	17.4	0.9	8.3	2.9	8.7	6.4

Figures are sourced by Prudential using data supplied by FE fundinfo (FE) or from the underlying fund groups.

We can't predict the future. Past performance isn't a guide to future performance. The value of your investment can go down as well as up so you might get back less than you put in.

For more information on how the fund performance is calculated please refer to the Important Information on page 16.

For details of the specific benchmark for your fund, please refer to the fund factsheet. You can find it on our website pru.co.uk/funds. Simply select "View fund information", under the heading "Workplace Pension fund prices and factsheets".

With-Profits returns

For investments in the With-Profits fund, the value of the policy depends on how much profit the fund makes and how we decide to distribute that profit. Policyholders receive a distribution of profits by means of bonuses, or other methods as specified in the relevant policy documentation. There are two types of bonus, regular (or revisionary) and final (or terminal) bonus.

The performance figures shown are overall annualised returns for contributions made on the dates specified. The returns include both regular and final bonuses added to a benefit paid at normal retirement date, but make no allowance for any applicable initial charges, allocation rates or early cash in charges (explicit charges).

Final bonus may vary and is not guaranteed. The rate of future bonuses cannot be guaranteed. The value of your investment can go down as well as up so you might get back less than you put in. We can't predict the future. Past performance isn't a guide to future performance.

Please read the important information below and the Key Features document for the relevant contract.

The performance figures are declared by Prudential Assurance Company Limited, usually each February.

For the Unitised returns shown, it is assumed that the contribution was invested, without any allowance made for any explicit charges on 6 April 1, 3, 5 or 10 years ago and realised on or after 6 April 2023 to secure benefits at normal retirement age. For the Cash Accumulation returns shown, it is assumed that 1, 3, 5 or 10 scheme revision dates ending after 15 March 2023 have passed since the contribution was invested.

Performance (applicable from 6 April 2023)

Bonus Series	1 year	3 years	5 years	10 years
Unitised L With-Profits Returns	4.50%	6.90%	4.90%	5.70%
Unitised N With-Profits Returns	4.50%	6.90%	4.90%	5.70%
Cash Accumulation MPP With-Profits Returns	4.50%	6.90%	4.90%	5.70%
Cash Accumulation AVC With-Profits Returns	4.50%	6.90%	4.90%	5.70%
Cash Accumulation AVC With-Profits Series 2 Returns	3.90%	6.30%	4.30%	n/a

Below is an outline of which bonus series returns relate to which contract:

Unitised With-Profits

Unitised L With-Profits is used by the "101" money purchase contracts for occupational pension schemes and grouped personal pension contracts (including the "Shout/Xafinity" contracts) typically established from 06/04/1987 where holdings are expressed in terms of units.

Unitised N With-Profits is used by the "Select" group personal pension (established 1997) and "Money Purchase Plan/Group Personal Pension" money purchase contracts for occupational pension schemes and group personal pension contracts established since 2001 where holdings are expressed in terms of units.

Cash Accumulation With-Profits

Cash Accumulation MPP With-Profits is used solely by the oldest "pre 101" money purchase contracts for occupational pension schemes typically established from 1974.

Cash Accumulation AVC With-Profits is used solely by Additional Voluntary Contribution contracts as part of an occupational pension scheme, where the contracts were applied for before 15 March 2023.

Cash Accumulation AVC With-Profits Series 2 is used solely by Additional Voluntary Contribution contracts as part of an occupational pension scheme, where the contracts were applied for on or after 15 March 2023.

Cash Accumulation AVC With-Profits and Cash Accumulation AVC With-Profits Series 2 are not used where voluntary contributions are paid through another Prudential group pension contract.

For more information on With-Profits, please refer to the Important Information on page 16 to 18

Deposit fund returns

The Prudential Deposit fund earns a variable rate of interest. The current practice, which we can review at any time, is to set the interest rate on the first of each month, in line with the Bank of England base rate at the time. Any interest is declared monthly and there are no explicit charges. Interest once added is guaranteed and withdrawals from this fund are not subject to a Market Value Reduction (MVR). The Deposit fund is backed by the assets held within Prudential's With-Profits Fund.

Below is the past performance of the fund for each of the last 5 years:

	Percentage Growth					Quarter	Annualised	
	31/12/18 to 31/12/19	31/12/19 to 31/12/20	31/12/20 to 31/12/21	31/12/21 to 31/12/22	31/12/22 to 31/12/23		3 Year	5 Year
Deposit fund	0.75%	0.26%	0.10%	1.27%	4.59%	1.29%	1.97%	1.38%

The value of your investment can go down as well as up so you might get back less than you put in. We can't predict the future. Past performance isn't a guide to future performance.

Future Deposit fund rates cannot be guaranteed.

Important Information

Additional Fund Information

Please note that some of these funds may not be applicable to your particular scheme or contract, so please check your plan conditions or contact your scheme adviser. Alternatively please refer to your scheme's "Fund Guide".

For non UK invested funds or funds denominated in a different currency: exchange rate fluctuations may cause the Sterling values of overseas investments to rise or fall.

How are the performance figures calculated?

The performance figures shown in this bulletin are intended only to demonstrate performance history of the fund. Fund Performance is based upon the movement of the daily published (unit) price and is shown as total return with gross income reinvested. The value of your investment may go down as well as up and the fund value at retirement may be less than the payments you have made. To obtain current unit price and performance information for all funds in the Prudential Fund range, simply go to pru.co.uk/funds then select the link to Fund Prices, information and tools; "Go to Fund Tool"; then choose Workplace Pension Funds. You can then use the filter options to get to the fund(s) you are interested in.

How are Fund (unit) prices calculated?

The Series 1 funds have both an offer and a bid price, based on the valuation of the underlying assets of the fund and which typically differs by 5%. Your contributions are used to buy units at the offer price. Your benefits are realised by selling units at the bid price. The Series 1 performance figures shown in this Bulletin are calculated on an offer to offer basis.

The Series 3 funds have a "single swinging price", which is based on whether money is either going into or being taken out of the fund. If more money is being paid into the fund than is being taken out, then the fund will need to purchase assets. If this is the case then the purchase price will be relevant in determining the unit price of the fund. If more money is being taken out of the fund than is being paid in then the fund will need to sell assets. If this is the case, the sale price of the underlying assets will be more relevant when calculating the unit price.

What is a dealing cycle?

For some funds, there is a short time lag between a policyholder investing his money, the money passing through the accounting system and then buying the underlying investments. This time-lag or "dealing cycle" is not factored in to the performance of the Prudential fund. You may therefore see a difference between the Prudential's fund performance and that of any underlying fund it invests in to.

Is there anything else I should know about funds?

For any fund there may be a delay in buying, selling or switching of units. These delays will only apply in exceptional circumstances and we will let you know if they apply to you. For more information please refer to your policy or scheme documentation.

If the total charges taken from your plan are more than any overall growth achieved, your plan will fall in value, possibly to even less than you have invested. This is relevant for all funds but in particular the Prudential Cash fund, BlackRock Sterling Government Liquidity fund and BlackRock Aquila Cash fund.

With-Profits – Other important information

If money invested in the With-Profits fund is taken out at any time other than on death or the selected/normal retirement date as specified in your pension plan literature, a Market Value Reduction may be applied; this may have the effect of reducing the fund value.

For the With-Profits fund, we deduct an annual charge through the bonus mechanism. For the Cash Accumulation and Unitised returns shown, this is currently expected to be 0.80% a year assuming future investment returns in the With-Profits fund are 5% a year.

Charges on With-Profits business depend on the performance of the With-Profits fund and, in particular, the investment returns achieved and expenses incurred. Over time, if investment returns are higher, the charges would be expected to be higher, and if investment returns are lower, the charges would be expected to be lower.

There is a charge to pay for all the guarantees the With-Profits fund supports. We guarantee to not take away regular bonuses already added when a payment is made because of death or the selected/normal retirement date as specified in your pension plan literature and to only apply a Market Value Reduction in certain circumstances. This charge will be taken by making a deduction each year when deciding Regular and Final Bonuses, so you may not see it on any yearly statement. Other than for Cash Accumulation AVC With-Profits Series 2, the total deduction charged to asset shares over the lifetime of each policy is not currently more than 2% of any payment made from the fund. For Cash Accumulation AVC With-Profits Series 2, the total deduction over the lifetime of the Plan is not currently more than 4% of any payment made from the fund. The amount of this charge will be reviewed from time to time and is not guaranteed to remain at the current level.

For further information on MVRs and charges please refer to the Key Features document for the relevant contract. For a copy of the Key Features document, please contact your pensions department for scheme members or usual Prudential contact for trustees and advisers.

Who manages the Funds?

All the Series 1 and Series 3 Funds are Prudential funds.

Prudential has delegated the investment management of these funds to either M&G Investments or various fund managers outside the Prudential.

Prudential Assurance Company Limited has delegated the investment management of the With-Profits fund to various investment managers including M&G Investments.

Which Prudential companies are involved and how are they regulated?

'Prudential' is a trading name of The Prudential Assurance Company Limited which is registered in England and Wales. Registered Office at 10 Fenchurch Avenue, London EC3M 5AG. Registered number 15454. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

M&G Investments is a trading name of Prudential Pensions Limited and M&G Investment Management Limited whose business addresses are at 10 Fenchurch Avenue, London EC3M 5AG. Part of M&G plc.

Prudential Pensions Limited and M&G Investment Management Limited are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Other Important Information

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