

Quarterly Investment Bulletin

Quarter 3 2020

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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. It's 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 June 2020 to 30 September 2020.

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

The global economy continued to recover strongly during the third quarter after many developed countries suffered their biggest falls in quarterly GDP on record in the second quarter as the COVID-19 pandemic took hold. In the UK for example, GDP fell by -19.8%, reflecting the severity of the lockdown measures taken to reduce transmission of the virus. Global economic activity data for the summer months rebounded as restrictions were eased and most economies were allowed to reopen. Governments and central banks from across the world remained supportive towards the needs of businesses and consumers. However, despite positive news surrounding potential vaccines and better treatment outcomes, a resurgence of virus cases in the US and Europe scuppered any hope of a rapid return to normality for the global economy.

Source: M&G

Market overview

Global investor sentiment remained largely buoyant during the quarter despite a bleak (albeit recovering) global economic backdrop and a resurgence of virus cases in many developed countries. The majority of stockmarkets continued to rise following the remarkable rebound in performance seen in the second quarter, immediately after March's COVID-19-induced sell-off. Global technology companies were once again some of the best performing shares in the period, reflecting the world's growing reliance on their products and services during the pandemic. Shares prices in the UK, Hong Kong and in some tourism-dependent countries were notable laggards. Core government bond yields remained close to their historic lows, reflecting the toll to economic output and inflation due to the crisis and the fact that central banks are helping to keep borrowing rates down. In this environment, credit markets also registered impressive returns over the quarter.

Source: M&G

UK equities

The UK lagged the major regional equity markets in the third quarter as confidence at home was mainly undermined by concerns about Brexit, the withdrawal of £38 billion of dividends in the first half of the year and a resurgence of COVID-19 cases. A smaller technology sector than its global peers, especially the US, acted as a further drag. However, sterling appreciation against the US dollar through July and August, plus government measures to support the economy, helped medium-sized and smaller companies outperform larger companies in the UK. The former were led by more economically sensitive sectors including industrials, retailers and travel & leisure. Meanwhile, aside from dividend cuts, larger companies succumbed to a combination of an adverse currency trend, the impact of low oil prices on the energy sector, a poor performance from banks under pressure from a low interest rate environment, and disappointing returns from more defensive sectors such as telecoms and utilities. However, the mining behemoths notably benefited from rising commodity prices.

Source: M&G

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UK bonds

UK government bonds (gilts) delivered slightly negative returns in the third quarter of 2020. This was mainly driven by a sharp rise in gilt yields in August as the post-COVID rebound in financial markets saw investors rotate into riskier assets, such as corporate bonds and equities. However, gilts were able to recover part of these losses in September as renewed fears of further COVID-19 lockdowns, as well as political uncertainty around Brexit and the upcoming US presidential election, helped push yields lower. Yields on 10-year gilts ended the quarter marginally higher at just above 0.2%. In contrast, UK corporate bonds delivered modest positive returns in the quarter, with these assets benefiting from a further tightening in credit spreads over much of the period.

Source: M&G

UK property

UK commercial property capital values fell in July and August (September data was not available at the time of writing) according to property consultant CBRE. However, including rental income UK commercial property recorded a small positive return. The UK economy continued to recover in the third quarter as the COVID-19 lockdown was eased and the government's fiscal measures together with the Bank of England's monetary stimulus provided support. Industrials was the only sector to report capital growth in July and August, reflecting ongoing demand for regional and national distribution centres. On the other hand, Retail capital values continued to fall significantly – a trend which began at the start of 2018 – driven by the continued growth of e-commerce and the failure of some traditional retailers. Capital values in the Office sector also fell, but the pace of the decline eased compared to the second quarter.

Source: M&G

International bonds

The key themes for global bonds remained focused on the impact of the coronavirus pandemic and the huge stimulus packages from many central banks to counter its damaging economic effects. The latter activity included maintaining interest rates at low levels, as well as bond-buying programmes in government and corporate debt markets. This helped the performance of global bonds during the quarter. In core government bond markets, yields on 10-year US Treasuries fell to a historic low of 0.5% in early August, before edging up to 0.7% at the end of September, while 10-year German bund yields remained in negative territory. Within corporate credit, high yield typically outperformed their investment grade counterparts, while amid mixed returns in emerging markets, hard currency debt generally outperformed local currency bonds.

Source: M&G

North America

US stockmarkets enjoyed another strongly positive quarter as investor sentiment recovered from the pandemic-induced panic experienced in March, although weakness in September pared back some of the gains. As businesses reopened, improving economic data, together with support from the Federal Reserve, led to sharp rallies in July and August, with gains led by the technology sector. However, in September investors grew concerned that further lockdowns, prompted by a resurgence of virus cases, could hamper economic recovery. Other worries included growing uncertainty about the presidential election, a lack of agreement on further economic support and the high valuations of technology companies. Canada's stockmarket also rallied as economic activity rebounded towards pre-pandemic levels, although September brought some caution as the number of global coronavirus cases grew again.

Source: M&G

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Europe

European equities ended the third quarter flat as the post-coronavirus stockmarket rebound lost momentum. A resurgence of COVID-19 infections across the region sparked worries about the economic recovery, while uncertainty over the agreement of a Brexit trade deal also dampened sentiment. Stockmarkets in Scandinavia, notably Denmark, were the best performers, while Germany and Ireland also delivered positive returns. In contrast, share prices in Portugal and Spain fell heavily. Worries about trade negotiations with the European Union weighed on the UK market. At the sector level, consumer discretionary and industrials led the way. Materials also performed well, supported by higher precious metals prices. However, energy stocks slumped amid worries about demand for oil. Financials were dragged down by concerns about low interest rates and the economic outlook.

Source: M&G

Japan

The Japanese stockmarket continued to recover from its March lows in the third quarter, although not without the odd hiccup along the way. Share prices sold off sharply at the end of July, with sentiment depressed by US-China tensions, Japanese yen appreciation (which reduces the value in yen terms of a company's overseas sales), as well as growing concerns about a second round of COVID-19 lockdowns. Encouragingly, share prices rebounded in August, with major blue chips driving the market, perhaps helped by a stabilisation in the dollar-yen exchange rate and news late in the month that Warren Buffett had invested in Japan's trading company sector. At the end of August, Shinzo Abe unexpectedly announced his resignation as Prime Minister, but the impact on the market was muted. While the Japanese stockmarket enjoyed strong returns under Abe, it is not expected that his work will suddenly be undone. Indeed, his successor, Yoshihide Suga, is firmly in favour of sustaining the reform agenda.

Source: M&G

Pacific Basin Ex-Japan

Overall, stockmarkets in Asia Pacific ex Japan continued to recover in the third quarter, with optimism about the economic recovery outweighing worries about COVID-19. Ongoing fiscal and monetary stimulus around the world was supportive. The Chinese stockmarket, whose weighting represents around two-fifths of the benchmark, was one of the main drivers of returns, as economic activity continued to rebound from the COVID-19-induced slowdown. The Taiwanese and South Korean stockmarkets also outperformed, helped by their sizeable exposure to technology companies (one of the better performing sectors in the third quarter). Conversely, some South Eastern Asian markets lagged, including Indonesia, Philippines, Singapore and Thailand. Outside the technology sector, consumer discretionary stocks were the standout performer (online retailers and auto manufacturers featured particularly strongly), while defensive sectors including consumer staples, healthcare and utilities lagged the broader market.

Source: M&G

Emerging markets

Emerging market equities rose in the third quarter, extending their rebound from the coronavirus-lows. Markets were fuelled by optimism about the global economic recovery and central bank stimulus efforts, although rising numbers of COVID-19 infections around the world unsettled investors in September. China's stockmarket advanced amid signs the country's economic recovery was gaining momentum. Share prices in South Korea and Taiwan performed well too. In contrast, Brazil, which has been badly affected by the pandemic, was one of the weakest markets. Turkey's stockmarket plunged amid concerns about the weakness of the lira, while Russia also declined. At the sector level, consumer discretionary and technology led the way, whereas energy and financials were notable laggards.

Source: M&G

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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 Financial Express (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	30/09/2015- 30/09/2016	30/09/2016- 30/09/2017	30/09/2017- 30/09/2018	30/09/2018- 30/09/2019	30/09/2019- 30/09/2020	Quarter	3 Year	5 Year
Cash S1 Fund Performance	-0.4	-0.6	-0.3	0.0	-0.4	-0.2	-0.2	-0.3
LIBID 7 Day Deposit	0.3	0.1	0.4	0.6	0.2	0.0	0.4	0.3
Discretionary S1 Fund Performance	19.7	14.0	6.3	2.5	-5.0	0.5	1.1	7.1
Composite Index	15.9	10.7	6.2	5.8	-1.8	0.8	3.3	7.2
Fixed Interest S1 Fund Performance	12.5	-3.9	0.1	12.0	3.6	-1.3	5.1	4.7
FTSE Actuaries UK Conventional Gilts All Stocks Index	12.6	-3.6	0.6	13.4	3.4	-1.2	5.7	5.1
Global Equity S1 Fund Performance	18.2	15.0	7.7	-0.4	-10.2	0.0	-1.2	5.5
Composite Index	18.3	13.6	6.9	3.7	-10.3	-1.0	-0.2	6.0
Index-Linked S1 Fund Performance	26.6	-3.5	1.2	18.6	0.1	-2.5	6.3	8.0
FTSE Actuaries UK Index-Linked Gilts Over 5 Years Index	27.0	-4.2	1.4	20.3	0.4	-2.5	7.0	8.3
International Equity S1 Fund Performance	28.9	18.5	8.0	1.2	-3.8	1.5	1.7	9.9
Composite Index	30.8	17.3	9.1	6.0	6.1	3.6	7.1	13.5
UK Equity S1 Fund Performance	13.8	13.4	7.5	-0.9	-14.8	-1.3	-3.2	3.2
FTSE All-Share Index	16.8	11.9	5.9	2.7	-16.6	-2.9	-3.2	3.5
UK Property S1 Fund Performance - currently deferred	3.3	8.1	10.2	0.3	-5.7	-0.2	1.4	3.1
All Balanced Property Fund component of the AREF/IPD UK Quarterly Property Fund Index.	3.4	9.3	8.8	2.2	-2.8	0.2	2.6	4.1

Figures are sourced by Prudential using data supplied by Financial Express (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 15.

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 “Fund prices info and tools”, choose the “Workplace Pensions Funds” tab then pick your fund.

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) Prudential Group Funds	Percentage Growth					Quarter	Annualised	
	30/09/2015- 30/09/2016	30/09/2016- 30/09/2017	30/09/2017- 30/09/2018	30/09/2018- 30/09/2019	30/09/2019- 30/09/2020		3 Year	5 Year
All Stocks Corporate Bond	16.0	1.6	0.5	11.0	7.0	1.1	6.1	7.1
Composite Index	14.0	-0.2	0.2	10.2	3.8	1.2	4.6	5.4
Cash	0.5	0.1	0.5	0.7	0.5	0.0	0.5	0.4
LIBID 7 Day Deposit	0.3	0.1	0.4	0.6	0.2	0.0	0.4	0.3
Discretionary	20.5	14.8	7.0	3.3	-4.3	0.6	1.9	7.9
Composite Index	15.9	10.7	6.2	5.8	-1.8	0.8	3.3	7.2
Dynamic Growth I	17.8	5.4	2.4	8.7	2.9	1.3	4.6	7.3
Custom BM PDG1	11.2	1.9	2.0	9.0	1.0	0.8	3.9	4.9
Dynamic Growth II	19.9	7.7	3.0	8.0	2.0	1.3	4.3	7.9
Custom BM PDG2	11.2	1.9	3.2	8.3	0.0	0.7	3.8	4.8
Dynamic Growth III	21.4	8.3	3.7	7.2	0.9	1.2	3.9	8.1
Custom BM PDG3	12.5	5.1	3.6	7.7	-1.0	0.6	3.4	5.5
Dynamic Growth IV	24.3	10.9	4.8	6.5	-0.8	0.9	3.5	8.8
Custom BM PDG4	17.3	7.9	5.1	6.9	-2.3	0.5	3.1	6.8
Dynamic Growth V	25.7	12.4	5.4	5.8	-2.0	1.1	3.0	9.1
Custom BM PDG5	18.5	9.5	6.8	6.0	-3.7	0.4	2.9	7.2

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Fund (Series 3) Prudential Group Funds	Percentage Growth					Quarter	Annualised	
	30/09/2015- 30/09/2016	30/09/2016- 30/09/2017	30/09/2017- 30/09/2018	30/09/2018- 30/09/2019	30/09/2019- 30/09/2020		3 Year	5 Year
Europe Equity Passive	20.5	22.0	1.8	6.3	-0.9	1.0	2.3	9.5
FTSE World Europe ex-UK Index	21.1	22.7	2.0	6.4	0.4	1.4	2.9	10.1
Fixed Interest	13.3	-3.1	0.8	12.9	4.6	-1.1	6.0	5.5
FTSE Actuaries UK Conventional Gilts All Stocks Index	12.6	-3.6	0.6	13.4	3.4	-1.2	5.7	5.1
Global Equity	19.0	15.7	8.3	0.4	-9.4	0.2	-0.5	6.3
Composite Index	18.3	13.6	6.9	3.7	-10.3	-1.0	-0.2	6.0
Index-Linked	27.5	-3.0	1.9	19.4	0.8	-2.3	7.0	8.7
FTSE Actuaries UK Index-Linked Gilts Over 5 Years Index	27.0	-4.2	1.4	20.3	0.4	-2.5	7.0	8.3
Index-Linked Passive	26.9	-4.3	1.3	20.5	0.2	-2.5	7.0	8.3
FTSE Actuaries UK Index-Linked Gilts Over 5 Years Index	27.0	-4.2	1.4	20.3	0.4	-2.5	7.0	8.3
International Bond	32.1	-7.0	2.2	14.2	2.9	-1.4	6.3	8.1
Barclays Global Agg Treasury Custom >\$3Bln from 18.06.13	30.6	-7.1	1.3	14.6	0.8	-1.8	5.4	7.3
International Equity	29.7	19.4	8.7	2.0	-3.1	1.7	2.4	10.7
Composite Index	30.8	17.3	9.1	6.0	6.1	3.6	7.1	13.5
Japan Equity Passive	30.9	11.0	14.2	-0.2	1.3	2.1	4.9	10.9
FTSE Japan Index	31.3	11.4	13.9	0.3	2.6	2.4	5.4	11.4
Long Dated Corporate Bond	27.6	-1.1	-1.3	20.0	8.9	0.3	8.9	10.2
iBoxx Sterling Over 15 Years Non Gilts Index	25.8	-2.7	-0.7	19.3	6.2	0.5	7.9	9.0
Long Term Bond	24.4	-3.6	0.6	21.4	6.7	-0.8	9.2	9.3
50:50 FTSE Actuaries UK Conventional Gilts Over 15 Years Index: iBoxx Sterling > 15Yr Non-Gilts Index	24.6	-4.5	0.3	21.1	6.0	-1.0	8.8	8.9
Long-Term Gilt Passive	23.0	-6.2	1.5	22.8	5.4	-2.4	9.5	8.7
FTSE Actuaries UK Conventional Gilts Over 15 Years Index	23.0	-6.3	1.3	23.0	5.2	-2.5	9.5	8.6

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Fund (Series 3) Prudential Group Funds	Percentage Growth					Quarter	Annualised	
	30/09/2015- 30/09/2016	30/09/2016- 30/09/2017	30/09/2017- 30/09/2018	30/09/2018- 30/09/2019	30/09/2019- 30/09/2020		3 Year	5 Year
Long Term Growth Passive	23.0	14.5	8.2	4.7	-6.4	0.1	2.0	8.4
Composite Index	24.1	14.6	7.5	4.4	-5.8	0.3	1.9	8.5
North America Equity Passive	34.5	14.7	20.3	10.0	8.6	4.5	12.8	17.3
FTSE World North America Index	34.1	14.9	20.3	10.4	10.5	4.5	13.6	17.7
Overseas Equity Passive	30.2	16.9	9.9	6.0	1.4	2.6	5.7	12.4
Composite Index	32.4	16.9	10.0	5.9	4.2	2.9	6.7	13.4
Pacific Basin ex-Japan Equity Passive	41.1	14.4	8.6	2.7	0.5	2.7	3.9	12.6
FTSE World Asia ex-Japan Index	41.0	14.4	8.6	3.8	1.1	2.3	4.4	12.9
UK Equity	14.6	14.2	8.1	-0.2	-14.0	-1.1	-2.5	4.0
FTSE All-Share Index	16.8	11.9	5.9	2.7	-16.6	-2.9	-3.2	3.5
UK Equity Passive	16.2	12.1	6.0	2.9	-16.5	-3.0	-3.1	3.4
FTSE All-Share Index	16.8	11.9	5.9	2.7	-16.6	-2.9	-3.2	3.5
UK Property - currently deferred	-2.5	8.4	10.4	0.9	-4.7	0.0	2.0	2.3
All Balanced Property Fund component of the AREF/IPD UK Quarterly Property Fund Index	3.4	9.3	8.8	2.2	-2.8	0.2	2.6	4.1
UK Smaller Companies	0.0	39.5	9.0	-2.5	-7.4	8.0	-0.6	6.5
FTSE Smaller Companies (ex Investment Trusts) Index	10.5	17.8	0.6	-7.8	-12.7	-1.7	-6.8	1.1

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Fund (Series 3) External Funds	Percentage Growth					Quarter	Annualised	
	30/09/2015- 30/09/2016	30/09/2016- 30/09/2017	30/09/2017- 30/09/2018	30/09/2018- 30/09/2019	30/09/2019- 30/09/2020		3 Year	5 Year
Baillie Gifford Diversified Growth	7.7	8.9	0.9	5.7	0.0	3.7	2.2	4.6
UK Base Rate + 3.5%	4.0	3.7	4.0	4.3	3.9	0.9	4.1	4.0
Baillie Gifford Global Stewardship	39.6	18.8	20.9	-0.9	60.8	14.3	24.4	26.2
MSCI AC World Index	31.3	15.5	13.5	7.9	5.8	3.5	9.0	14.5
Baillie Gifford UK Equity Core	13.9	17.5	9.8	0.4	-9.6	0.7	-0.1	5.9
FTSE All-Share Index	16.8	11.9	5.9	2.7	-16.6	-2.9	-3.2	3.5
BlackRock Aquila All Stocks Corporate Bond Index	13.4	-0.6	0.8	10.0	3.8	1.5	4.8	5.4
IBOXX Sterling Non-Gilts Index	14.0	-0.2	0.2	10.2	3.8	1.2	4.6	5.4
BlackRock Aquila Consensus	22.7	8.6	5.2	5.4	0.6	-0.3	3.7	8.2
ABI Mixed Investment 40-85% Shares (pre-01/10/16: CAPS Balanced Consensus Survey Median)	21.9	8.8	6.2	7.3	-2.0	0.0	3.8	8.2
BlackRock Aquila Emerging Markets Equity	39.7	16.8	3.0	3.8	4.3	3.5	3.7	12.7
MSCI Emerging Markets Index	36.2	18.6	2.0	3.7	5.4	4.7	3.7	12.5
BlackRock Aquila Over 15 Years UK Gilt Index	22.3	-6.5	1.6	22.9	4.2	-3.2	9.2	8.3
FTSE Actuaries UK Conventional Gilts Over 15 Years Index	23.0	-6.3	1.3	23.0	5.2	-2.5	9.5	8.6
BlackRock Aquila UK Equity Index	18.6	10.0	4.3	-0.5	-12.5	-3.5	-3.1	3.5
FTSE All-Share Index	16.8	11.9	5.9	2.7	-16.6	-2.9	-3.2	3.5
BlackRock Aquila World ex-UK Index	31.8	16.2	13.8	5.3	9.5	2.9	9.5	15.0
FTSE Developed Ex UK	31.0	15.1	14.7	7.5	6.7	3.5	9.6	14.7

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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 "Fund prices info and tools", choose the "Workplace Pensions Funds" tab then pick your fund.

Fund (Series 3) External Funds	Percentage Growth					Quarter	Annualised	
	30/09/2015- 30/09/2016	30/09/2016- 30/09/2017	30/09/2017- 30/09/2018	30/09/2018- 30/09/2019	30/09/2019- 30/09/2020		3 Year	5 Year
BlackRock Ascent Pacific Rim Equity	43.4	13.4	3.3	4.0	-2.2	-0.7	1.7	11.3
FTSE All World Asia Pacific ex-Japan (Developed) Index	40.8	14.0	6.2	3.4	-3.2	0.8	2.1	11.3
HSBC Amanah Global Equity Index	34.9	13.7	17.0	11.5	24.7	8.2	17.6	20.1
Dow Jones Islamic Markets Titans 100 CR	34.7	14.0	18.9	12.7	24.3	7.1	18.5	20.6
LGIM Ethical Global Equity Index	28.4	16.9	12.8	9.0	6.5	3.9	9.4	14.5
FTSE4Good Global Equity Index	27.7	16.7	14.1	9.5	5.7	2.6	9.7	14.5
LGIM Ethical UK Equity Index	15.6	11.5	6.1	4.2	-15.8	-1.4	-2.4	3.7
FTSE4Good UK Equity Index	15.1	11.7	6.3	5.6	-17.5	-3.1	-2.6	3.5
Threadneedle Property	-2.2	17.7	9.6	2.9	-8.4	0.5	1.1	3.5
AREF/IPD UK Quarterly Property Fund Index weighted average	3.4	9.3	8.8	2.2	-2.8	0.2	2.6	4.1

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

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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 2020 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 2020 have passed since the contribution was invested.

Performance (applicable from 6 April 2020)

Bonus Series	1 year	3 years	5 years	10 years
Unitised L With-Profits Returns	4.65%	4.05%	6.20%	6.40%
Unitised N With-Profits Returns	4.65%	4.05%	6.20%	6.40%
Cash Accumulation MPP With-Profits Returns	4.65%	4.05%	6.20%	6.40%
Cash Accumulation AVC With-Profits Returns	4.65%	4.05%	6.20%	6.40%
Cash Accumulation AVC With-Profits Series 2 Returns	4.10%	n/a	n/a	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 2020.

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 2020.

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 15 to 17.

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	
	30/09/2015-30/09/2016	30/09/2016-30/09/2017	30/09/2017-30/09/2018	30/09/2018-30/09/2019	30/09/2019-30/09/2020		3 Year	5 Year
Deposit fund	0.48%	0.25%	0.48%	0.75%	0.43%	0.02%	0.55%	0.48%

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

Who is this Bulletin for?

- This Bulletin is intended for trustees, sponsors, advisers and members of occupational pension schemes using Prudential group pension contracts and members of Prudential Grouped Personal Pension and Stakeholder Pension contracts.
- The purpose of this report is to provide an insight on how investment markets and funds have performed over the period and is provided for information only. It should not be considered as financial advice and any change to investment arrangements should be discussed with an adviser.

It is not our intention to give an indication of how any particular funds will perform in the future.

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".

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, based on the valuation of the underlying assets and cash flows into and out of the fund. This valuation price will be the published 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.

What should I know about Prudential's Property fund?

- This fund invests in property and land. This can be difficult to sell – so you may not be able to sell/cash in this investment when you want to. We may have to delay acting on your instructions to sell your investment.
- You should look upon your investment in property as being long-term. There are large costs when we buy and sell property. The allowance for these costs amongst other factors can lead to short-term falls in the price of units in the Property fund.

- The value of property is generally a matter of a Valuer's opinion rather than fact. Under certain circumstances, in the interest of other investors, we reserve the right to defer any early encashment or switch between funds. This may be for a period of up to 6 months in the case of units held in the fund. Depending on your scheme/policy, in very exceptional circumstances the delay may be longer than this. At other times the fund may have significant levels of cash (short-term deposits) in advance of purchasing or following the sale of property and/or land. This could impact the performance of the property fund.
- 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.

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.

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 and Prudential Property Investment Managers Limited whose business address is Princeton House, 271–273 High Holborn, London WC1V 7NE. 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

- 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.
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