

PruFund monthly update: April 2026

This report is for customers invested in the PruFund range of funds only and covers the latest updates for the PruFund range of funds including: The diversification of the funds, market context over the past month and April's PruFund monthly announcement.

The value of your investment can go down as well as up so you might not get back the amount you put in.

Market Context from the Life Investment Office

Inflation levels have started to take different paths as markets grapple with fluctuating energy costs. UK inflation rose to 3.3% in March, up from 3.0% in each of the previous two months and in line with market expectations, driven primarily by rising transport costs and in particular motor fuels (following the heightened tensions in the Middle East). Eurozone inflation rose to 2.6% from 1.9% despite a slowdown in services inflation, while US inflation saw a sharp increase from 2.4% to 3.3%. The major central banks are all scheduled to announce their next interest rate decisions in the final days of April, and current sentiment indicates a high probability they will all remain unchanged as they assess the economic impacts of the US-Israel war with Iran. The US Federal Reserve held interest rates at 3.50-3.75%. The Bank of England maintained rates at 3.75%, while the European Central Bank left rates unchanged at 2.15% in March.

Markets remained highly sensitive in April, with a fragile period of 'ceasefire driven' uncertainty following the current US-Israel conflict with Iran. While the extreme increase in oil prices of Brent Crude \$119 per barrel briefly dipped toward \$95, they have since risen back above \$105 as the Strait of Hormuz remains closed. US markets have recovered reaching new highs, Japan's followed suit (the Nikkei) surpassing the 60,000 milestone for the first time. UK equities climbed too in April, with the recovery hampered slightly by the rising UK inflation figure, which dampened domestic investor sentiment.

Geopolitics remains the dominant market influence. While a conditional ceasefire eased immediate panic, disruptions to shipping routes on the Strait of Hormuz keep a significant "risk premium" built in to energy prices. Initial optimism surrounding a Pakistan-mediated ceasefire faded fuelling soaring sea cargo insurance and rerouted supply chains, adding to global inflationary pressures.

Asset classes within the PruFund range of funds saw positive returns this month. All equity segments ending the period in positive territory. Fixed Income returns also increased despite negative performance seen in India and US Fixed Income, as most segments ended the period in positive territory. It was a mixed month for Real Estate, US assets were the best performing, while UK assets also contributed positively. Alternative assets saw flat returns with gains from Commodities and Private High Yield, reduced by Private Equity and Infrastructure sleeves.

Market volatility can be unsettling, and it's natural to worry, but with PruFund we aim to deliver a smoothed investment journey, protecting you from the full impact of short term market drops. This is down to our expertly diversified fund and an established smoothing process.

Although PruFund is a medium to long-term investment, The Life Investment Office (LIO), formerly the M&G Treasury and Investment Office, monitor markets daily and are ready to act and adjust our investments where necessary with the aim of delivering for all investors.

PruFund and diversification

The LIO believes in ensuring the PruFunds are well diversified across different asset classes and regions, with exposure to a range of investments across Equities, Fixed Income, Real Estate, Alternative assets and Other Strategies. This coverage gives access to returns from many different investments, asset classes that have an element of 'inflation linkage' and investments that lean towards solving the problems of the future. Global diversification remains one of the best ways to make portfolios more resilient against market volatility.

The links below give you an easy-read overview of the different asset classes:

[🔗 Equities \(Shares\)](#) [🔗 Fixed Income \(Bonds\)](#) [🔗 Real Estate \(Property\)](#) [🔗 Real Estate \(Alternative\)](#)

Within **Equities** we hold a similar overall weight to peers, but allocated to markets where we see more value, with less exposure in the US but more in Asian and Emerging Market Equities.

We have a lower allocation in **Fixed Income** compared to peers but we have more emphasis on high-yield and private credit. Overall exposure is diversified across developed and emerging markets and corporate and private credit.

For **Real Estate Assets** we hold a larger weight than peers, diversified across sectors and regions, providing stability and diversification.

Alternative Assets are diversified across asset classes and regions.

Whilst the LIO are constantly monitoring markets and looking at ways to develop portfolios, no meaningful changes have been made since the last update.

A breakdown of where PruFund Growth, Cautious and Risk Managed PruFunds are currently invested can be found below:

[🔗 PruFund Growth](#) [🔗 PruFund Cautious](#) [🔗 Risk Managed PruFunds](#)

Latest Unit Price Adjustment (UPA) update: April 2026

At this month's review date we can confirm there are no UPAs for the PruFund range of funds.

All PruFund announcements occur on the 25th (or next working day)

- Expected Growth Rate (EGR) announcements occur quarterly in February, May, August and November
- UPAs are applied when the difference between short term performance and EGRs exceed set limits. These limits are checked daily for all funds and monthly for Series C, E and F, quarterly for Series 2, A, B and D, and ISA*

[🔗](#) A summary of historic EGR and UPA information is available [here](#), as well as a step-by-step guide to the **PruFund smoothing process**.

Long-term outlook for PruFund

The Life Investment Office constantly monitor markets to identify potential risks and opportunities from any market volatility created by economic announcements, policy changes or wider geopolitical uncertainty. They don't make investment decisions on short-term market changes or make any knee-jerk reactions but do maintain a close eye on what the longer-term impact might be on the PruFund range. If they see an opportunity to react, they will. This is based on the expertise they've built up over many years and has seen PruFund deliver a smoother investment journey for investors through shocks like the global financial crisis in 2008, the market impact of Covid, the heightened geopolitical tensions in Ukraine and the Middle East, and more recently the Tariff announcements made by Donald Trump.

Right now, PruFund is invested in nearly 40 different asset types across the globe – more than any other smoothed fund available in the market. While PruFund's multi-asset approach aims to smooth investment returns, the value of the assets will still fluctuate from day to day. The smoothing process aims to reduce the impact of these movements over the short term. This doesn't mean that your investment can't go down. It can. But PruFund is designed to dampen the number and scale of any drops in value. To remind yourself about the smoothing process and Unit Price Adjustments, read our **Guide** to smoothing.

Don't forget, PruFund is designed to be a medium to long-term investment (5 to 10 years or more), so we hope you can have some peace of mind that the investment expertise at the LIO and the unique features of PruFund.

*UPA announcements schedule

Monthly	Series C	International Portfolio Bond
	Series E	Retirement Account (post Sept' 17)
	Series F	M&G Wealth Platform
Quarterly	Series 2	Prudential Investment Plan (onshore bond)
	Series A	Flexible Retirement Plan & Trustee Investment Plan
	Series B	International Investment Bond
	Series D	Retirement Account (Pre Sept' 17)
	ISA	