

Fund health check

# Workplace Pensions

Quarter 2 2024

How your pension investments perform has a massive impact on what your life in retirement will look like.

We can't predict the performance of the funds we offer for investment, but we can, and do, keep an eye on how they are doing against what we expect. And, if needed, we'll take action.

We want to help you feel confident and happy that your money, in the funds we offer, will be managed in the way you would expect. Remember the value of an investment can go down as well as up, and you might not get back what you paid in.

### This update will give you:

- Information on what we do as part of the review process
- An overview of what we found on the last review
- The names of funds that we've felt we needed to investigate in greater detail, but are now happy with
- The names of funds that we've felt we needed to investigate in greater detail and are now planning to close

### This update is for anyone invested in:

- Additional Voluntary Contribution (AVC)
- Group Personal Pension
- Money Purchase Plan
- Stakeholder Plan

If you have a different type of plan with us you can visit [pru.co.uk](https://www.pru.co.uk) for information on the investments we offer.

Note – Due to the production of the data required for this update and the review process we undertake there will be a delay between the data used and the publication of the latest update.

## So do you need to do anything then?

Not if you don't want to. But, investments can be complicated and you may want to check your investments remain right for you.

### You might want to speak to a financial adviser

If you don't already have an adviser you might want to speak to an adviser from M&G Wealth Advice Limited, the name for our advice service who, like Prudential, are part of M&G Plc. It's called a restricted advice service. To find out more you can go to [pru.co.uk/financial-advice](https://www.pru.co.uk/financial-advice) where you'll get details of financial advisers in your area. Or you can find an independent financial adviser at [unbiased.co.uk](https://www.unbiased.co.uk).

## So what's involved in the review process?

Our aim is to give you reassurance that your investments are performing as you would expect.

Funds, and their fund managers, from time to time may struggle to perform in certain markets. And what we need to do is ask ourselves:

- is the manager doing anything differently from what we expect, or
- is the fund performing poorly when we expect it to be performing well?

There are three different factors we look at.

### Performance

How does it look compared to appropriate benchmarks, similar funds and consistency of performance.

### Risk

Is the manager taking too much risk – or too little?

### Qualitative

Has there been any manager changes, structural issues or change in strategy from the people managing the money?

## What might happen next?

If a fund is "flagged" by our Investment Manager Oversight Team it's added to our quarterly review list so we can investigate and look at it in more detail. This may involve meeting the fund manager to discuss the fund.

If, after due consideration, we are satisfied the fund is doing what we expect, we'll take no further action.

If we aren't satisfied then we'll consider whether we need to close the fund and move existing investors to another fund choice.

## What happens if we decide to close a fund?

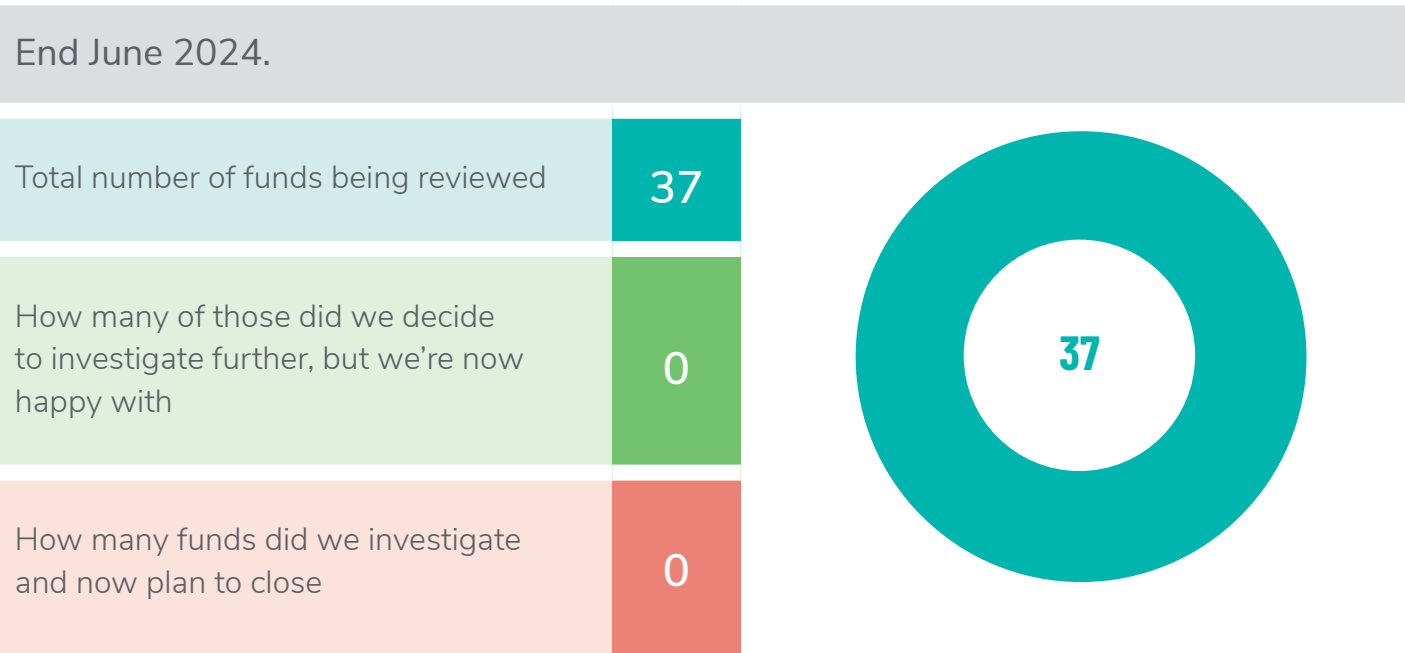
This isn't a decision we take lightly. And we'll only take it once the fund has been through our full review process. We'll only close a fund due to fund management concerns when, in our view, it is in the best interest of investors to do so, to try and ensure the right investment outcome.

Before we close a fund, we'll write out to all impacted investors. We'll let them know what date we plan to close the fund and what fund we suggest as a good alternative. On the closure date, if a new fund has not been selected, we'll move their money into our suggested alternative fund.

We may also close funds to simplify the options available to our customers. Funds closed for this reason will be communicated separately and details will be available on [pru.co.uk](https://www.pru.co.uk)

# Current health status

Our chart below shows what we think about our funds at the end of June 2024.



# Quarterly review – results from our further investigations

You'll find in the table below, the outcome of our further investigations, where necessary, into funds that the initial review "flagged" to us.

Fund	Reason for further investigation	Outcome
		Whilst we continue to review all of the in scope funds, no funds required any action this quarter.