

Quarterly Investment Bulletin

Quarter 3 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 June 2023 to 30 September 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

Central banks' ongoing battle with inflation remained the dominant issue in the third quarter of 2023. During the period, inflationary pressures in advanced economies continued to ease broadly, suggesting that the aggressive monetary tightening over the past year could be working. In the US, the annual rise in core inflation excluding food and energy, which is the Federal Reserve's preferred measure, fell below 4.0% in August for the first time in two years. It was a similar picture in Europe, where consumer prices in the eurozone rose 4.3% in August, down from 5.2% in the previous month. In the UK price increases remained relatively high, with headline inflation at 6.7% in August, but down from the peak of 11.1% in October 2022. Despite this, inflation remained above central banks' 2% targets and policymakers continued to tighten monetary policy. The Fed raised rates in July to the 5.25%-5.50% range, the highest level in 22 years, but kept them on hold in September. The Bank of England raised rates in August but also kept them unchanged in September, whereas the European Central Bank hiked rates twice to a record high of 4.0%. By the end of the period, there was growing expectation that central banks had reached, or were nearly at, the end of this tightening cycle. However, policymakers indicated that rates would likely remain restrictive for some time to bring inflation under control. With rates likely to stay 'high for longer', attention focused on the potential lagged effects of rate rises on economy activity. The US economy remained resilient in the period, growing at an annual rate of 2.1% in the second quarter, partly as wage growth supported consumer spending. The UK economy expanded 0.2% in the second quarter from the previous quarter and retail sales rose in August. Revised data also showed that the UK economy was now bigger than its pre-pandemic size. On the other hand, UK house prices continued to fall as higher mortgage costs put pressure on the property market. Weak economic data in the eurozone also pointed to a slowdown in activity, leading to concerns that the single-currency bloc could be heading for recession. With interest rates at elevated levels, inflation above target and oil prices rising, there is growing uncertainty about the economic outlook.

Market overview

The prospect of higher for longer interest rates was a significant drag on financial markets in the third quarter of 2023. While inflationary pressures generally continued to ease in the period and it appeared increasingly likely that the current rate-hiking cycle was at, or close to, the peak, investors worried that central banks would keep interest rates elevated for a prolonged period. Central banks' determination to bring inflation under control with restrictive policies weighed heavily on government bond markets. The US 10-year Treasury yield climbed to the highest level since 2007 in the period, with some investors predicting it could reach 5%. (Bond yields and prices move in opposite directions). Concerns about the US fiscal position and growing debt levels, not to mention a credit downgrade by ratings agency Fitch, also dented investor appetite for US Treasuries. German and Japanese government bond prices declined too, while UK gilts were slightly more resilient.

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The selloff in the bond market spilled over to equity markets. The FTSE World Index dropped 3.4% (in US dollars), reversing some of its gains since the start of the year. (The weakness of sterling against other major currencies in the quarter mitigated the declines in overseas assets for sterling-based investors). The S&P 500 Index fell 3.3% (in US dollars), the stockmarket's first negative quarter in 12 months, but it remains in positive territory for the year to date. European stockmarkets, notably those in France and Germany, also had a weak quarter, amid worries that the region's economy might enter a recession. The UK was one of the more resilient markets, with the FTSE 100 Index gaining 2.2% (in sterling). Asia Pacific (ex Japan) and Emerging Market equities also outperformed the broad global market. From a sector perspective, there was a notable rotation as energy stocks rallied and information technology stocks declined. The US dollar and oil were two of the standout assets in the quarter. The dollar strengthened against major currencies including sterling and the euro supported by the resilient US economy and higher bond yields. Oil prices rose around 30% in the quarter as leading producers cut crude supplies.

UK equities

The UK stockmarket ended a roller-coaster third quarter with a modest gain, supported by larger companies. UK multinationals mainly benefited from the boost to their overseas revenues from a bout of sterling weakness. This reflected the flat-lining domestic economy, the Bank of England's decision to hold interest rates at 5.25% in September, and a strong US dollar. The currency move, together with rising oil prices, raised concerns about the inflation outlook just as price pressures have started to ease, and the implications for rates staying higher for longer. UK government bond yields climbed to the highs seen during the ex-prime minister Liz Truss 'mini-budget' saga in September 2022. This affected the so-called 'bond proxy' stocks such as consumer staples, life insurers and utilities. In contrast, the energy sector was particularly strong, driven by higher oil prices. Other, more domestically focused sectors that outperformed included housebuilders, real estate companies and banks on the interest rate news.

UK bonds

UK government bonds (gilts) marginally declined in the third quarter of 2023, although they fared better than other core sovereign debt such as US government bonds (Treasuries) and German government bonds (bunds). A modest support for gilts came from signs that UK inflation had started to ease, meaning investors cooled their expectations of interest rate hikes from the Bank of England. Compared to the end of the second quarter, the yield on the benchmark 10-year gilt stayed largely unchanged at 4.4%, despite some upward movement during the period. UK corporate bonds were stronger over the quarter compared to the previous period and versus regional rivals (eg, US and Europe), boosted by broadly flat government bond yields and some tightening of credit spreads.

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International bonds

The performance of global bond markets over the third quarter was poor once again, as investors weighed the possibility of central banks pushing out the timing of interest rate cuts because of oil price-related inflation concerns. As a result, bond yields stayed elevated (bond yields move in the opposite direction to bond prices): yields on US government bonds (Treasuries) and German government bonds (bunds) rose more than on UK government bonds (gilts). By and large, emerging market bonds also had a challenging quarter, with negative total returns driven by a combination of individual country stories (eg, coups in Africa) and elevated yields on US Treasuries. A stronger US dollar, which we also saw in the third quarter, is traditionally a negative for EM economies. Compared to government bonds, corporate bonds fared better, particularly UK and European corporate bonds. US corporate bonds had a more challenging quarter.

North America

Although the third quarter began well, with US investors encouraged by lower inflation and excited about developments in artificial intelligence, the hawkishness of the Federal Reserve (Fed) subsequently led share prices to reverse course. After raising interest rates in July, the Fed paused in September, but indicated that rates were likely to stay high for longer and may be hiked once more this year. Markets fell particularly sharply in September, leaving them substantially down for the quarter. A significant rise in bond yields also worried investors and share price falls were led by perceived interest rate-sensitive sectors, such as utilities, consumer staples and technology, although energy stocks rallied with the higher oil price. Canada's stockmarket also fell, weighed down by weaker economic growth and higher inflation.

Europe

European equities fell in the third quarter of 2023, amid concerns about the economic outlook and soaring government bond yields. As the European Central Bank hiked interest rates to a record 4.0% and central bankers indicated that policy would remain restrictive to curb inflation, investors worried about the potential impact of high rates on the economy. Data indicated that activity in the eurozone was slowing, notably in Germany and France, raising the prospect of a recession in the euro area. In this environment, energy stocks were the best performers, supported by a c.30% rise in oil prices. Financial and real estate stocks also outperformed the broader index. On the other hand, information technology stocks retreated after a period of gains. Utilities, which are perceived as sensitive to interest rate rises, also lagged. Norway's stockmarket was the standout performer, whereas France and Germany were among the weakest.

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Japan

The Japanese stockmarket recorded a positive return in the third quarter, both in local currency and sterling terms, and was one of the best performing stockmarkets globally. Towards the end of July, the Bank of Japan (BoJ) made another change to its yield curve control policy (as the BoJ's cap on 10-year bond yields is known). The BoJ kept its 0.5% target for bond yields in place, but said it would regard it as a reference. Meanwhile, it raised the hard cap on yields to 1.0%. Despite the change, Japan's interest rates remain well below those of other economies. Its loose monetary policy is to encourage borrowing and stimulate spending, as well as inflation (which sits at around 3%). For the past 30 years Japan has been struggling to meet its 2% inflation objective and investors have regarded positively the recent shift towards 'normalisation' of monetary policy and a pick-up in inflation.

Pacific Basin Ex-Japan

Asia Pacific ex Japan performed broadly in-line with the MSCI World Index in the third quarter. Better-performing markets included Singapore and India. India's stockmarket has recently benefited from significant interest from foreign investors attracted by the robust economic growth of the world's most populous country. Conversely, among the larger stockmarkets, Hong Kong was an underperformer, dragged down by worries about the slowdown in China's economy. Whilst there was optimism in the wake of China's reopening towards the end of 2022, the economic recovery has taken longer than was expected by most market participants. Sentiment towards China has also been hit by ongoing tensions with the US. Taiwan and South Korea lagged too, not helped by weakness in the technology sector, which represents a significant proportion of both markets.

Emerging markets

Overall, emerging markets performed broadly in-line with the MSCI World Index in the third quarter. In Asia Pacific ex Japan, better-performing markets included Singapore and India. India's stockmarket has recently benefited from significant interest from foreign investors. Conversely, among the larger stockmarkets, Hong Kong was an underperformer, dragged down by worries about the slowdown in China's economy. Taiwan and South Korea lagged too, not helped by weakness in the technology sector. Turkey bounced back strongly in Emerging Europe, benefiting from a more stable currency, which had depreciated significantly in the first half of 2023. Within Middle-Eastern markets, the United Arab Emirates was the standout performer, benefiting from a strengthening oil price over the quarter. Overall, Latin America lagged, but within the region, Brazil and Chile were the best performing markets (in local currency terms). In Brazil, the central bank cut interest rates for the first time in three years.

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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	
	30/09/18 to 30/09/19	30/09/19 to 30/09/20	30/09/20 to 30/09/21	30/09/21 to 30/09/22	30/09/22 to 30/09/23		3 Year	5 Year
Cash S1 Fund Performance	0.0	-0.4	-0.7	0.0	3.2	0.9	0.8	0.4
SONIA 7 Days	0.6	0.2	-0.1	0.7	3.9	1.2	1.5	1.0
Discretionary S1 Fund Performance	2.5	-5.0	20.3	-12.2	8.5	0.9	4.6	2.2
Prudential Custom BM Discretionary	5.5	-1.3	15.5	-7.1	9.2	0.8	5.4	4.1
Fixed Interest S1 Fund Performance	12.0	3.6	-7.3	-25.6	-0.3	-0.5	-11.8	-4.4
Prudential Custom BM Fixed Interest	13.4	3.4	-6.8	-24.6	-2.4	-0.8	-11.8	-4.3
Global Equity S1 Fund Performance	-0.4	-10.2	27.5	-9.7	12.2	1.3	8.9	2.9
Prudential Custom BM Global Equity	4.0	-8.0	24.0	-5.6	12.5	1.3	9.6	4.7
Index-Linked S1 Fund Performance	18.6	0.1	1.2	-32.8	-12.6	-6.5	-15.9	-6.7
Prudential Custom BM Index-Linked	20.3	0.4	0.2	-32.0	-13.2	-6.6	-16.1	-6.5
International Equity S1 Fund Performance	1.2	-3.8	25.0	-5.2	11.8	1.5	9.9	5.2
Prudential Custom BM International Equity	6.0	6.1	18.5	-8.2	10.4	0.5	6.3	6.2
UK Equity S1 Fund Performance	-0.9	-14.8	29.8	-12.8	13.2	1.6	8.6	1.6
FTSE All-Share Index	2.7	-16.6	27.9	-4.0	13.8	1.9	11.8	3.7

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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

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Fund (Series 3)	Percentage Growth					Quarter	Annualised	
	30/09/18 to 30/09/19	30/09/19 to 30/09/20	30/09/20 to 30/09/21	30/09/21 to 30/09/22	30/09/22 to 30/09/23		3 Year	5 Year
All Stocks Corporate Bond	11.0	7.0	-0.4	-20.2	6.8	1.5	-5.3	0.1
IBOXX Sterling Non-Gilts Index	10.2	3.8	-0.4	-21.9	6.9	2.3	-6.0	-1.0
Cash	0.7	0.5	0.0	0.7	4.1	1.2	1.6	1.2
SONIA 7 Days	0.6	0.2	-0.1	0.7	3.9	1.2	1.5	1.1
Discretionary	3.3	-4.3	20.9	-11.3	9.4	1.1	5.5	3.0
Prudential Custom BM Discretionary	5.5	-1.3	15.5	-7.1	9.2	0.8	5.4	4.0
Dynamic Global Equity Passive	NA	NA	21.2	-6.0	10.2	-1.0	7.9	NA
Prudential Custom BM Dynamic Global Equity Passive	NA	NA	23.4	-6.7	12.2	0.8	8.9	NA
Dynamic Growth I	8.7	2.9	6.2	-15.1	6.6	-0.3	-1.3	1.5
Prudential Custom BM Dynamic Growth I	8.9	1.8	4.9	-14.9	6.9	1.0	-1.6	1.1
Dynamic Growth II	8.0	2.0	8.5	-13.3	7.1	-0.4	0.3	2.1
Prudential Custom BM Dynamic Growth II	8.2	0.8	7.6	-13.7	8.0	1.0	0.1	1.8

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Dynamic Growth III	7.2	0.9	11.0	-11.8	7.7	-0.5	1.7	2.6
Prudential Custom BM Dynamic Growth III	7.5	-0.3	10.4	-12.5	9.0	1.0	1.7	2.5
Dynamic Growth IV	6.5	-0.8	13.9	-10.6	8.5	-0.7	3.4	3.2
Prudential Custom BM Dynamic Growth IV	6.8	-1.7	13.7	-11.1	10.2	1.0	3.6	3.2
Dynamic Growth V	5.8	-2.0	16.6	-8.9	9.4	-0.8	5.1	3.8
Prudential Custom BM Dynamic Growth V	5.7	-2.7	17.3	-9.6	11.4	1.1	5.7	4.0
Europe Equity Index	6.3	-0.9	21.6	-13.0	20.1	1.4	8.3	6.0
FTSE World Europe ex-UK Index	6.4	0.4	22.0	-12.8	20.5	-1.6	8.7	6.5
Fixed Interest	12.9	4.6	-6.6	-24.7	0.5	-0.3	-10.9	-3.5
Prudential Custom BM Fixed Interest	13.4	3.4	-6.8	-24.6	-2.4	-0.8	-11.8	-4.3
Global Equity	0.4	-9.4	28.1	-8.8	13.1	1.5	9.7	3.7
Prudential Custom BM Global Equity	4.0	-8.0	24.0	-5.6	12.5	1.3	9.6	4.7
Index-Linked	19.4	0.8	1.9	-31.7	-11.9	-6.2	-15.0	-5.9
Prudential Custom BM Index-Linked	20.3	0.4	0.2	-32.0	-13.2	-6.6	-16.1	-6.5
Index-Linked Passive	20.5	0.2	0.6	-32.1	-13.1	-6.6	-16.0	-6.5
Prudential Custom BM Index-Linked	20.3	0.4	0.2	-32.0	-13.2	-6.6	-16.1	-6.5
International Bond	14.2	2.9	-6.0	2.5	-7.0	1.0	-3.6	1.0
Barclays Global Agg Treasury Custom >\$3Bln from 18.06.13	14.6	0.8	-6.9	-4.7	-8.2	-0.2	-6.6	-1.2
International Equity	2.0	-3.1	25.6	-4.3	12.6	1.7	10.6	6.0
Prudential Custom BM International Equity	6.0	6.1	18.5	-8.2	10.4	0.5	6.3	6.2

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Japan Equity Index	-0.2	1.3	16.9	-14.1	15.1	2.8	4.9	3.2
FTSE Japan Index	0.3	2.6	16.9	-13.6	15.0	3.1	5.1	3.6
Long Dated Corporate Bond	20.0	8.9	-3.3	-35.0	1.3	-3.4	-14.0	-3.6
iBoxx Sterling Over 15 Years Non Gilts Index	19.3	6.2	-2.7	-37.1	2.8	-2.2	-14.3	-4.4
Long Term Bond	21.4	6.7	-6.5	-36.1	-3.9	-3.5	-16.9	-5.8
Prudential Custom BM Long Term Bond	21.1	6.0	-7.0	-36.8	-4.5	-3.9	-17.5	-6.3
Long-Term Gilt Passive	22.8	5.4	-11.3	-36.4	-11.1	-5.7	-20.6	-8.3
Prudential Custom BM Long-Term Gilt Passive	23.0	5.2	-11.2	-36.6	-11.3	-5.6	-20.7	-8.4
Long Term Growth Index	4.7	-6.4	24.9	-7.0	13.2	1.1	9.6	5.2
Prudential Custom BM Long Term Growth Passive	4.7	-4.6	23.9	-6.7	12.4	0.8	9.1	5.3
North America Equity Index	10.0	8.6	25.1	0.9	10.2	0.8	11.6	10.7
FTSE World North America Index	10.4	10.5	25.0	0.4	10.9	1.0	11.7	11.2
Overseas Equity Index	6.0	1.4	23.0	-8.2	10.9	0.5	7.8	6.1
Prudential Custom BM Overseas Equity Passive	5.9	4.2	21.5	-8.7	11.3	0.1	7.3	6.4
Asia Pacific (ex-Japan) Equity Index	2.7	0.5	24.4	-10.2	4.1	-2.5	5.2	3.7
FTSE World Asia ex-Japan Index	3.8	1.1	25.4	-9.2	6.4	-1.1	6.6	4.9
Positive Impact	NA	NA	20.9	-6.1	2.6	-3.3	5.2	NA
MSCI ACWI Index	NA	NA	22.7	-3.7	11.0	0.7	9.5	NA
UK Equity	-0.2	-14.0	30.2	-12.0	13.9	1.7	9.3	2.3
FTSE All-Share Index	2.7	-16.6	27.9	-4.0	13.8	1.9	11.8	3.7

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	30/09/18 to 30/09/19	30/09/19 to 30/09/20	30/09/20 to 30/09/21	30/09/21 to 30/09/22	30/09/22 to 30/09/23		3 Year	5 Year
UK Equity Index	2.9	-16.5	27.8	-5.1	15.0	2.8	11.7	3.7
FTSE All-Share Index	2.7	-16.6	27.9	-4.0	13.8	1.9	11.8	3.7
UK Smaller Companies	-2.5	-7.4	75.2	-32.3	4.9	-1.0	7.5	2.3
FTSE Smaller Companies (ex Investment Trusts) Index	-7.8	-12.7	72.4	-24.4	12.7	2.9	13.7	3.4
Baillie Gifford Diversified Growth	5.7	0.0	10.9	-12.6	-0.1	-2.5	-1.1	0.5
UK Base Rate + 3.5%	4.3	3.9	3.6	4.3	7.7	2.1	5.2	4.7
Baillie Gifford Sustainable Growth	-0.9	60.8	15.9	-35.2	5.1	-4.5	-7.6	4.7
MSCI AC World Index	7.9	5.8	22.7	-3.7	11.0	0.7	9.5	8.4
Baillie Gifford UK Equity Core	0.4	-9.6	27.6	-20.6	16.0	-0.4	5.5	1.3
FTSE All-Share Index	2.7	-16.6	27.9	-4.0	13.8	1.9	11.8	3.7
BlackRock Aquila All Stocks Corporate Bond Index	10.0	3.8	-0.2	-21.0	4.9	1.5	-6.1	-1.1
IBOXX Sterling Non-Gilts Index	10.2	3.8	-0.4	-21.9	6.9	2.3	-6.0	-1.0
BlackRock Aquila Consensus	5.4	0.6	14.7	-3.3	5.1	-0.5	5.3	4.3
Aquila Consensus Custom Benchmark	7.3	-2.0	15.4	-6.1	8.2	0.5	5.4	4.3
BlackRock Aquila Emerging Markets Equity	3.8	4.3	15.0	-13.6	0.2	-0.7	-0.1	1.5
MSCI Emerging Markets Index	3.7	5.4	13.3	-13.2	2.2	1.1	0.2	1.9

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".

Fund (Series 3)	Percentage Growth					Quarter	Annualised	
	30/09/18 to 30/09/19	30/09/19 to 30/09/20	30/09/20 to 30/09/21	30/09/21 to 30/09/22	30/09/22 to 30/09/23		3 Year	5 Year
BlackRock Aquila Over 15 Years UK Gilt Index	22.9	4.2	- 10.1	- 37.8	-12.0	- 7.9	-21.1	-8.8
FTSE Actuaries UK Conventional Gilts Over 15 Years Index	23.0	5.2	- 11.2	-35.5	-12.8	- 5.7	-20.7	- 8.4
BlackRock Aquila UK Equity Index	-0.5	-12.5	25.7	-0.6	9.0	-0.1	10.9	3.5
FTSE All-Share Index	2.7	-16.6	27.9	-4.0	13.8	1.9	11.8	3.7
BlackRock Aquila World ex-UK Index	5.3	9.5	22.5	1.4	7.6	-0.2	10.2	9.0
FTSE Developed Ex UK	7.5	6.7	23.2	-3.7	11.5	0.5	9.8	8.7
BlackRock Aquila Pacific Rim Equity	4.0	-2.2	20.6	-6.8	3.4	-3.5	5.1	3.4
FTSE All World Asia Pacific ex-Japan (Developed) Index	3.4	-3.2	22.3	-9.2	5.1	-0.8	5.3	3.2
HSBC Islamic Global Equity Index	11.5	24.7	17.6	-2.9	17.7	1.8	10.3	13.3
Dow Jones Islamic Markets Titans 100 CR	12.7	24.3	19.3	-3.2	17.5	1.0	10.7	13.7
LGIM Ethical Global Equity Index	9.0	6.5	23.8	-1.1	13.5	0.8	11.6	10.0
FTSE4Good Global Equity Index	9.5	5.7	24.6	-1.9	14.5	0.8	11.9	10.1
LGIM Ethical UK Equity Index	4.2	-15.8	23.4	-2.8	13.9	0.5	11.0	3.7
FTSE4Good UK Equity Index	5.6	-17.5	25.1	-3.1	14.7	0.8	11.6	3.9

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

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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.

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.

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)

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	
	30/09/18 to 30/09/19	30/09/19 to 30/09/20	30/09/20 to 30/09/21	30/09/21 to 30/09/22	30/09/22 to 30/09/23		3 Year	5 Year
Deposit fund	0.75%	0.43%	0.10%	0.67%	3.89%	1.25%	1.54%	1.16%

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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