

# Quarterly Investment Bulletin

Quarter 4 2024

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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/](https://pru.co.uk/guides_tools/glossary/) or contact your adviser.

The information contained in this report covers the period 30 September 2024 to 31 December 2024.

## 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](https://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](https://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.

# Content

Economic and Market Review	4
Economic Overview	4
Market overview	4
UK equities	5
UK bonds	5
International bonds	6
North America	6
Europe	6
Japan	7
Pacific Basin Ex-Japan	7
Emerging markets	7
Quarterly Fund Performance Data	8
Important Information	16

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/](https://pru.co.uk/guides_tools/glossary/) or contact your adviser.

## Economic Overview

In the final quarter of 2024, major central banks maintained their path of monetary policy easing, despite modest inflationary upticks. In the US, headline inflation edged up to 2.7% in the 12 months to November, a slight increase from 2.6% a month earlier. The UK's 12-month headline inflation rate climbed to an 8-month high of 2.6% in November, up from 2.3% in October. The eurozone also reported a rise in inflation in November: prices rose 2.3% year-on-year, up from 2% in October.

During the review period, the Federal Reserve (Fed) reduced its key interest rate by 25 basis points (bps) twice, taking it to a range of 4.25% to 4.5%. The decisions were driven by indications of moderating inflation and a weakening labour market. The European Central Bank (ECB) implemented two 25 bps cuts, lowering the deposit rate to 3%, while the Bank of England (BoE) reduced interest rates from 5% to 4.75% in November.

The year concluded with a general slowdown in global economic growth. The US economy expanded 2.8% in the third quarter, decelerating from the 3% pace seen in Q2. The UK economy contracted for two consecutive months in September and October; GDP growth was flat in the third quarter. However, eurozone GDP grew 0.4% quarter-on-quarter, in the third quarter, following more than a year of tepid growth. China's GDP increased 4.6% year-on-year in Q3, down slightly from 4.7% in Q2, driven by robust factory activity and exports but weighed down by a property downturn and weak consumer spending.

## Market overview

The fourth quarter of 2024 witnessed significant equity rallies and bond sell-offs, driven by central bank manoeuvres and political developments. Global government bond prices fell 5.4% (in local currency) despite widespread rate cuts. US government bonds experienced significant election-induced volatility, with the benchmark 10-year Treasury ending the quarter down 5.0% as the yield rose to 4.6% from 3.8% over the period. (Bond yields and prices move in opposite directions). A 'tax and spend' budget by the new Labour government, which sparked concerns over growth and inflation, put pressure on UK gilts. European bonds were influenced by political turmoil, with Italian government bonds outperforming their French and German counterparts. Corporate bonds performed better than government debt, with riskier high yield bonds the best performers.

Equity markets experienced a significant rally following Donald Trump's victory in the US presidential election. The FTSE World Index advanced 6.5%, culminating in a year-end return of 20.1% (in sterling). US equities reached new highs post-election, with the S&P 500 rising 5.9% in November, marking its strongest monthly performance of the year. Over the quarter, the S&P 500 advanced 2.4%, resulting in an annual return of 25% (in US dollars). In the UK, the FTSE 100 Index delivered a small quarterly decline (0.2%) but finished the year with a total increase of 9.7% (in sterling). European, Asian ex Japan and emerging market equities were among the weakest regions. From a sector standpoint, financials and technology outperformed the global market this quarter, while basic materials and healthcare were the biggest laggards.

In terms of currencies, the US dollar experienced a strong rally following Trump's win. In the commodities market, Brent crude oil rose in the quarter but ended the year down 3.8% (in dollars), marking its second consecutive annual decrease. Conversely, gold prices fell slightly in the three months, but surged 27.1% in 2024, achieving its strongest annual performance since 2010 (in dollars).

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## UK equities

UK equities ended 2024 with a small decline in the fourth quarter and trailed the US and global market (in sterling terms). Even with a weak final three months, the FTSE All-Share Index registered a solid return of 9.5% for 2024 as a whole. Investors had to navigate an uncertain economic backdrop in the period, including evidence that the UK economy was contracting, a pick-up in inflation and a tax-raising budget from the new government. The best performing sectors included financials, oil & gas and technology. On the other hand, basic materials fell sharply, amid concerns about China's economy. Utilities and real estate stocks, which are considered sensitive to interest rates, declined, as UK rates are expected to remain high for longer. The larger international companies in the FTSE 100 outperformed their smaller, domestically focused counterparts.

## UK bonds

The price of UK government bonds (gilts) fell 3.1% in the fourth quarter of 2024, outperforming US government bonds (Treasuries), in sterling terms. The yield of the 10-year UK gilt rose to 4.6%, from 4.0% at the end of September (bond yields and prices move in opposite directions). During the quarter, the UK Chancellor Rachel Reeves delivered what was largely considered a 'tax and spend' budget. Markets initially reacted negatively, with bond yields spiking before stabilising. Not only is the budget expected to dampen the UK's economic growth prospects, it is also likely to constrain the actions of the Bank of England (BoE) as it contained policies which could fuel inflation. The BoE cut interest rates by 25 basis points in November, before keeping them unchanged at its December meeting when it indicated a gradual approach to future interest rate cuts. Shorter-dated gilts outperformed longer-dated gilts in the period, while inflation-linked gilts were particularly weak. In contrast, UK corporate bonds were relatively resilient, declining 0.5%.

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## International bonds

Global government bond prices fell 5.4% during the quarter, despite the majority of major central banks continuing their interest rate-cutting cycles. The Federal Reserve (Fed) cut rates twice, bringing borrowing costs to the 4.25%-4.5% range, although they signalled a cautious pace for 2025. The European Central Bank and the Bank of England also continued on their rate-cutting journeys. US Treasuries experienced heightened volatility in the run-up to the US presidential election in November. Following Donald Trump's resounding victory, long-term yields spiked on fears that Trump's policies could be inflationary and result in higher government borrowing. 10-year US Treasuries fell 5.0% (in US dollars) in the period and finished the quarter with a yield of 4.6%. The prices of benchmark French, German and Japanese government bonds also fell. Corporate bonds performed better than government debt, with riskier high yield bonds delivering the best returns.

## North America

US equities rose in the fourth quarter to round off a year of impressive gains. Investors' enthusiasm for US stocks was buoyed by ongoing excitement about artificial intelligence and the country's robust economic backdrop. Share prices rallied in November following Donald Trump's election victory, which raised the prospect of tax cuts and deregulation. The Federal Reserve's cautious outlook for interest rate cuts dampened sentiment somewhat in December but the S&P 500 Index still ended the quarter ahead of all major stockmarkets. Communication services, consumer discretionary and technology were among the best performing sectors. Financials also outperformed the broader market, advancing on optimism about President-elect Trump's policies. In contrast, energy, healthcare, materials and utilities were notable laggards.

## Europe

European equities fell in the fourth quarter of 2024 and were among the weakest markets globally. Investor sentiment was dampened by concerns about the region's economic outlook, the potential impact of President-elect Trump's tariffs and political uncertainty. Political instability in France, including a no-confidence vote against the government, and worries about the fiscal deficit led investors to shun French assets. Spanish and Dutch share prices also fell. In contrast, the German and Italian stockmarkets rose, ensuring they registered healthy gains for the year as a whole. From a sector perspective, financials and industrials, including aerospace and defence stocks, were notable outperformers, whereas consumer goods, oil & gas and healthcare lagged the broader market.

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## Japan

The Japanese stockmarket rose in the quarter and was one of the better-performing markets globally. However, returns for non-yen-based investors were eroded by the weakness of the Japanese currency. Japanese interest rates are very low compared to other developed markets (making the currency unattractive for some investors) and remained at 0.25% throughout the three months. Early in the quarter, Prime Minister Shigeru Ishiba's decision to call a snap election backfired, as the ruling Liberal Democrat party lost its majority. As Japan's corporate reform agenda has been de-politicised, it is not expected that the political change will derail the improvement in corporate reform we have seen. In December, news broke that carmakers Nissan and Honda were holding talks about a merger. It is hoped a combination of the two companies would help them compete against the fast-growing Chinese electric vehicle manufacturers.

## Pacific Basin Ex-Japan

Overall, stockmarkets in Asia Pacific ex Japan lagged global equities in the fourth quarter of 2024. Amongst the larger markets, China, Hong Kong and South Korea fell heavily in local currency terms. China's stockmarket declined despite further efforts by authorities to shore up its economy. These included a substantial US\$1.4 trillion package that enables local governments to refinance their debt and a quarter-of-a-percentage-point reduction in the one-year loan prime rate. South Korea's stockmarket fell amid signs of weakening economic growth and the Korean won was very weak. Financial markets were also rattled as the country's president, Yoon Suk Yeol, attempted, but failed, to impose martial law at the start of December. Better performing markets included Taiwan and Singapore. Taiwan was thrust higher by the strength of its technology sector.

## Emerging markets

Overall, emerging market stocks lagged the global equity market in the fourth quarter, much of which was due to the poor performance of Asia, which represents around four-fifths of the benchmark. Emerging markets were undermined by a strong US dollar and the prospect of higher trade tariffs following Donald Trump's election victory.

In Asia, China and South Korea were notable laggards. China's stockmarket fell despite further efforts by authorities to shore up its economy. South Korea's stockmarket declined amid signs of weakening economic growth. Better performing markets included Taiwan and Singapore.

Stockmarkets in some oil-producing countries in Europe, the Middle East and Africa (EMEA) performed relatively well, supported by a slightly firmer oil price, while the larger markets in Latin America, Brazil and Mexico, fared poorly. The Brazilian real hit an all-time low against the US dollar during the quarter, as ongoing fiscal challenges and economic concerns significantly impacted investor sentiment.

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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	
	31/12/19 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	31/12/23 to 31/12/24		3 Year	5 Year
Cash S1 Fund Performance	-0.4	-0.9	0.4	3.9	4.6	0.8	3.0	1.5
SONIA 7 Days	0.1	0.0	1.3	4.6	5.1	1.2	3.7	2.2
Discretionary S1 Fund Performance	2.8	11.9	-9.6	8.3	7.2	-1.3	1.7	3.9
Prudential Custom BM Discretionary	4.9	9.9	-4.6	9.5	7.3	-0.7	3.9	5.3
Fixed Interest S1 Fund Performance	8.5	-5.0	-24.5	3.9	-4.8	-3.6	-9.3	-5.1
Prudential Custom BM Fixed Interest	8.3	-5.2	-24.8	3.6	-4.0	-3.5	-9.2	-5.1
Global Equity S1 Fund Performance	-1.9	15.1	-4.9	7.7	9.9	-1.1	4.0	4.9
Prudential Custom BM Global Equity	-0.6	15.3	-2.3	9.0	11.1	0.4	5.8	6.3
Index-Linked S1 Fund Performance	12.0	5.2	-38.3	0.5	-11.7	-8.0	-18.2	-8.4
Prudential Custom BM Index-Linked	12.4	4.2	-38.2	1.0	-11.0	-7.6	-17.8	-8.3
International Equity S1 Fund Performance	6.1	14.3	-2.8	11.3	13.4	0.6	7.0	8.3
Prudential Custom BM International Equity	14.7	10.9	-6.3	10.5	12.9	1.2	5.3	8.3
UK Equity S1 Fund Performance	-7.3	15.8	-6.4	6.2	6.9	-2.4	2.0	2.7
FTSE All-Share Index	-9.8	18.3	0.3	7.9	9.5	-0.4	5.8	4.8

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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.

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Fund (Series 3)	Percentage Growth					Quarter	Annualised	
	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	31/12/23 to 31/12/24		3 Year	5 Year
All Stocks Corporate Bond	10.4	-3.3	-16.8	9.3	3.2	-0.7	-2.1	0.0
IBOXX Sterling Non-Gilts Index	7.8	-3.1	-17.7	8.6	1.7	-0.5	-3.1	-1.0
Cash	0.2	0.0	1.3	5.0	5.0	1.2	3.8	2.3
SONIA 7 Days	0.1	0.0	1.3	4.6	5.1	1.2	3.7	2.2
Discretionary	3.6	12.4	-8.6	9.3	7.7	-1.1	2.5	4.6
Prudential Custom BM Discretionary	4.9	9.9	-4.6	9.5	7.3	-0.7	3.9	5.3
Dynamic Global Equity Passive	NA	13.5	-4.5	8.7	11.1	0.8	4.9	NA
Prudential Custom BM Dynamic Global Equity Passive	NA	14.1	-3.3	10.1	9.5	0.0	5.2	NA
Dynamic Growth I	7.9	1.0	-11.2	8.2	5.3	-0.9	0.4	2.0
Prudential Custom BM Dynamic Growth I	6.6	1.4	-11.4	8.3	3.4	-0.8	-0.3	1.4
Dynamic Growth II	7.4	3.2	-10.0	8.3	5.9	-0.8	1.1	2.7
Prudential Custom BM Dynamic Growth II	6.2	3.3	-10.1	8.8	4.3	-0.6	0.7	2.3
Dynamic Growth III	6.9	5.0	-8.8	8.4	6.8	-0.4	1.8	3.5
Prudential Custom BM Dynamic Growth III	5.8	5.3	-8.8	9.4	5.1	-0.4	1.6	3.1

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Fund (Series 3)	Percentage Growth					Quarter	Annualised	
	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	31/12/23 to 31/12/24		3 Year	5 Year
Dynamic Growth IV	5.9	7.4	-7.8	8.8	7.7	-0.3	2.6	4.2
Prudential Custom BM Dynamic Growth IV	5.2	7.5	-7.4	10.0	6.1	-0.2	2.6	4.1
Dynamic Growth V	5.3	9.6	-6.6	9.3	9.5	-0.3	3.8	5.2
Prudential Custom BM Dynamic Growth V	4.6	10.1	-5.8	10.7	7.1	0.0	3.7	5.2
Europe Equity Index	7.6	16.7	-7.1	15.3	1.6	-4.5	2.8	6.4
FTSE World Europe ex-UK Index	8.6	17.4	-7.0	15.7	3.0	-3.9	3.5	7.2
Fixed Interest	9.3	-4.5	-23.4	4.6	-3.9	-3.3	-8.4	-4.3
Prudential Custom BM Fixed Interest	8.3	-5.2	-24.8	3.6	-4.0	-3.5	-9.2	-5.1
Global Equity	-1.2	15.9	-4.1	8.7	10.4	-0.9	4.8	5.7
Prudential Custom BM Global Equity	-0.6	15.3	-2.3	9.0	11.1	0.4	5.8	6.3
Index-Linked	12.8	5.9	-37.2	1.2	-10.8	-7.6	-17.3	-7.5
Prudential Custom BM Index-Linked	12.4	4.2	-38.2	1.0	-11.0	-7.6	-17.8	-8.3
Index-Linked Passive	12.1	4.3	-38.0	1.1	-11.1	-7.6	-17.7	-8.2
Prudential Custom BM Index-Linked	12.4	4.2	-38.2	1.0	-11.0	-7.6	-17.8	-8.3
International Bond	7.6	-5.0	2.5	-2.3	-3.9	-0.5	-1.3	-0.3
Barclays Global Agg Treasury Custom >\$3Bln from 18.06.13	6.0	-5.9	-6.2	-2.2	-1.9	1.0	-3.4	-2.1
International Equity	6.8	14.8	-1.8	12.0	13.9	0.7	7.8	9.0
Prudential Custom BM International Equity	14.7	10.9	-6.3	10.5	12.9	1.2	5.3	8.3
Japan Equity Index	9.8	1.9	-4.8	13.2	10.7	1.8	6.1	6.0
Prudential Custom BM Japan Equity	11.1	2.5	-4.8	13.2	10.6	3.3	6.0	6.3
Long Dated Corporate Bond	16.2	-5.4	-32.4	8.6	-4.6	-3.7	-11.2	-5.1
iBoxx Sterling Over 15 Years Non Gilts Index	14.8	-5.8	-34.4	10.6	-5.6	-3.3	-11.8	-5.8

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	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	31/12/23 to 31/12/24		3 Year	5 Year
Long Term Bond	15.3	-6.1	-36.6	6.4	-7.4	-5.3	-14.5	-7.5
Prudential Custom BM Long Term Bond	14.6	-6.5	-37.3	6.0	-8.1	-5.2	-15.1	-8.1
Long-Term Gilt Passive	13.8	-7.1	-39.9	1.8	-10.5	-7.0	-18.2	-10.4
Prudential Custom BM Long-Term Gilt Passive	13.9	-7.3	-40.1	1.5	-10.5	-7.1	-18.4	-10.5
Long Term Growth Index	2.8	15.4	-3.9	10.7	10.5	0.2	5.5	6.8
Prudential Custom BM Long Term Growth Passive	4.0	14.9	-3.9	10.5	11.5	0.9	5.8	7.2
North America Equity Index	14.7	28.3	-8.2	18.2	26.3	10.1	11.1	15.1
FTSE World North America Index	16.4	28.1	-8.8	19.4	26.9	9.9	11.4	15.6
Overseas Equity Index	12.5	13.3	-6.6	12.1	10.2	0.4	4.9	8.0
Prudential Custom BM Overseas Equity Passive	14.2	12.9	-6.7	12.0	12.5	1.6	5.5	8.7
Asia Pacific (ex-Japan) Equity Index	17.3	7.2	-6.1	6.1	4.4	-1.8	1.3	5.5
FTSE World Asia ex-Japan Index	17.6	8.2	-5.3	8.3	7.8	-1.0	3.4	7.1
Positive Impact	NA	14.6	-7.4	2.4	5.4	-0.1	0.0	NA
MSCI ACWI Index	NA	20.1	-7.6	15.9	20.1	6.1	8.7	NA
UK Equity	-6.6	16.3	-5.6	6.9	7.7	-2.2	2.8	3.4
FTSE All-Share Index	-9.8	18.3	0.3	7.9	9.5	-0.4	5.8	4.8
UK Equity Index	-9.9	18.2	-0.5	8.4	10.5	-0.5	6.0	4.9
FTSE All-Share Index	-9.8	18.3	0.3	7.9	9.5	-0.4	5.8	4.8

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Baillie Gifford UK Equity Core	-2.7	14.8	-13.3	5.6	10.2	-2.1	0.3	2.4
FTSE All-Share Index	-9.8	18.3	0.3	7.9	9.5	-0.4	5.8	4.8
BlackRock Aquila All Stocks Corporate Bond Index	7.3	-4.0	-16.2	6.6	2.1	-0.3	-3.0	-1.2
IBOXX Sterling Non-Gilts Index	7.8	-3.1	-17.7	8.6	1.7	-0.5	-3.1	-1.0
BlackRock Aquila Consensus	4.6	11.9	-5.0	7.8	10.8	2.5	4.3	5.8
Aquila Consensus Custom Benchmark	4.7	12.2	-6.2	9.7	8.8	1.7	3.8	5.6

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Fund (Series 3)	Percentage Growth					Quarter	Annualised	
	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	31/12/23 to 31/12/24		3 Year	5 Year
BlackRock Aquila Emerging Markets Equity	13.5	-1.7	-10.7	3.6	10.4	-0.5	0.7	2.6
MSCI Emerging Markets Index	14.7	-1.6	-10.0	3.6	9.4	-1.5	0.7	2.8
BlackRock Aquila Over 15 Years UK Gilt Index	11.5	-8.7	-37.7	-3.4	-8.1	-7.2	-17.9	-10.9
FTSE Actuaries UK Conventional Gilts Over 15 Years Index	13.9	-7.3	-40.1	1.6	-10.6	-7.1	-18.3	-10.5
BlackRock Aquila UK Equity Index	-9.9	19.4	0.0	5.6	10.4	-0.2	5.2	4.6
FTSE All-Share Index	-9.8	18.3	0.3	7.9	9.5	-0.4	5.8	4.8
BlackRock Aquila World ex-UK Index	12.8	21.6	-6.4	16.0	23.9	8.6	10.4	13.0
FTSE Developed Ex UK	14.0	22.2	-8.4	17.0	20.2	6.7	8.8	12.4
BlackRock Aquila Pacific Rim Equity	16.6	-0.2	0.0	1.6	-0.2	-4.9	0.5	3.4
FTSE All World Asia Pacific ex-Japan (Developed) Index	14.9	2.2	-1.6	4.8	-3.9	-6.3	-0.3	3.1
HSBC Islamic Global Equity Index	22.5	27.0	-15.0	27.7	31.0	9.6	12.4	17.2
Dow Jones Islamic Markets Titans 100 CR	25.1	27.9	-14.9	27.9	29.9	8.5	12.2	17.7
LGIM FTSE4Good Developed Equity Index	10.3	25.4	-6.5	17.5	20.8	6.6	9.9	12.9
FTSE4Good Developed Equity Index	11.6	24.8	-6.0	17.8	20.0	5.5	9.9	13.1
LGIM FTSE4Good UK Equity Index	-9.7	16.4	0.9	7.3	10.8	0.4	6.2	4.7
FTSE4Good UK Equity Index	-11.3	17.4	0.9	8.3	10.3	-0.1	6.4	4.6

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](https://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 2024 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 2019 have passed since the contribution was invested.

Performance (applicable from 6 April 2024)

Bonus Series	1 year	3 years	5 years	10 years
Unitised L With-Profits Returns	7.80%	3.70%	4.70%	5.40%
Unitised N With-Profits Returns	7.80%	3.70%	4.70%	5.40%
Cash Accumulation MPP With-Profits Returns	7.80%	3.70%	4.70%	5.40%
Cash Accumulation AVC With-Profits Returns	7.80%	3.70%	4.70%	5.40%
Cash Accumulation AVC With-Profits Series 2 Returns	7.20%	3.10%	4.10%	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 2019.

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 2019.

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						Annualised	
	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	31/12/23 to 31/12/24	Quarter	3 Year	5 Year
Deposit fund	0.26%	0.10%	1.27%	4.59%	5.15%	1.22%	3.65%	2.25%

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](https://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 0.76% 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.

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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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