

# Quarterly Investment Bulletin

Quarter 1 2022



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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 31 December 2021 to 31 March 2022.

## 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.

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

## Economic Overview

The relatively mild infection produced by the dominant Omicron COVID-19 variant meant that many economies were able to reduce restrictions and move towards fully reopening during the quarter, aiding global economic growth. However, in China, strict COVID-19 curbs and continued uncertainty in its property sector hampered economic activity in the country somewhat. The price rises seen on many goods and services globally over the past year continued during the period, a problem that was exacerbated by Russia's military invasion of Ukraine in late February. The conflict sent prices in energy markets (oil and gas) and other key commodity markets soaring as production shutdowns and international sanctions began to hit the Russian economy. Global economic activity began to be negatively affected, particularly in Europe where many nations rely on Russian gas supplies. The US Federal Reserve and the Bank of England both raised interest rates in response to the ongoing inflationary environment.

## Market overview

Global inflationary fears and Russia's invasion of Ukraine were the two themes that dominated global financial markets during the quarter. Rising inflation expectations weighed heavily on both bonds and shares in most major markets, as investors fretted over the impact of higher prices on consumers and businesses, and anticipated a much faster pace of interest rate rises from the world's major central banks. The conflict between Russia and Ukraine acted as another catalyst for commodity price rises. The added geopolitical uncertainty weighed heavily on many emerging markets, particularly those closest to the conflict zone. However, some markets further afield, such as in Latin America, and notable oil-producing nations performed well. Assets that are traditionally seen as safer bets, such as the US dollar and gold also benefited. The yields on government bonds in the UK, US and Europe rose sharply throughout the quarter (prompting notable losses for many bond investors).

## UK equities

The UK stockmarket, led by the FTSE 100 larger companies index, proved to be remarkably resilient in a difficult start to the year, ending just in positive territory for a sixth-successive quarter and ahead of the major regional equity markets in local currency terms. The dominant events of the first quarter were the crisis in Ukraine and swingeing sanctions on Russia. Risk appetite improved towards the period end as the two sides met for peace talks. Before these took centre stage, investors had been fretting about a sharp uptick in inflation, to 6.2% in the UK – caused by surging commodity prices and supply disruptions – leading bond yields to spike upwards in anticipation of tighter monetary policy. The Bank of England duly raised interest rates twice to 0.75%. Against this background, a weaker trend in sterling supported the FTSE 100, along with a substantial exposure to resources and more defensive sectors such as pharmaceuticals, telecoms, tobacco and utilities, as well as banks which benefited from the interest rate move.

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## UK bonds

The first quarter of 2022 was a volatile period for fixed income markets, initially driven by concern that interest rates would need to be increased more aggressively to tackle surging inflation. The Russian invasion of Ukraine on 24 February became the dominant theme in the latter weeks of the quarter, with a surge in wheat and energy prices expected to put even further pressure on inflation. Against this backdrop, UK government bonds (gilts) delivered negative returns as the 10-year gilt yield climbed above 1.7%, reaching its highest level in since 2016. UK corporate bonds were also in negative territory with the downturn in risk appetite leading to weakness across credit markets.

## International bonds

Global fixed income markets underperformed across the board as investors worried about inflation and increasingly hawkish central bank rhetoric before events in Eastern Europe – Russia invaded Ukraine on 24 February – cooled the lure for risk assets almost completely. Bond yields, which move in an opposite direction to bond prices, climbed steadily on core government bonds, investment grade corporate bonds, and lower-rated high yield bonds. It was a poor period for emerging market bonds, as the Russia-Ukraine crisis increased fears over higher inflation and slower economic growth in related debt markets. At the end of March, small signs of a potential easing in the conflict partially lifted investor appetite and yields steadied across certain bonds as a result.

## North America

The first quarter of 2022 presented US investors with many reasons to be wary of holding shares. Not only did inflation hit levels not seen for 40 years, prompting the Federal Reserve to raise interest rates for the first time since 2018, with many more hikes predicted, but Russia launched an invasion of Ukraine. Investors now have to consider what effect the conflict, and the sanctions imposed on Russia, might have on the global economy. US stockmarkets fell during the quarter, with falls led by the technology-dominated Nasdaq, although losses were reduced by strong rallies late in March. In terms of sectors, the biggest falls were suffered by technology and consumer discretionary companies, while energy producers rallied strongly, helped by surging oil prices. Canada's stockmarket, however, delivered a positive return, boosted by higher commodity prices.

## Europe

The war in Ukraine and its consequences weighed heavily on European equities in the first quarter. They fell and lagged other major markets and regions. Concerns about inflation, which was driven in part by surging commodities prices after Russia invaded Ukraine, and rising interest rates dampened investor sentiment. Austria was one of the weakest markets due to its relative proximity to the conflict. Share prices in Ireland and the Netherlands also fell sharply. In contrast, Norway, an oil producing nation, was the standout performer, supported by rising oil prices. Switzerland's stockmarket was relatively resilient too. At the sector level, energy led the way as oil prices rallied. Financials and healthcare also outperformed the broader market. Meanwhile, consumer discretionary and information technology were notable laggards.

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## Japan

The Japanese stockmarket fell in the first quarter and lagged the MSCI World Index. Fears of an economic slowdown in China (one of Japan's largest trading partners) continue to weigh on investors' minds; however, the recent reporting season (for the quarter ending December 2021) in Japan, has generally produced positive surprises. This continues to produce more ongoing evidence of an increasingly resilient profits structure in Japan, in our view. Over the quarter, the better-performing sectors included utilities, communication services and financials (shares in banks rose on the back of expectations of higher interest rates, which can improve profitability). Conversely, healthcare and technology lagged the broader market. Some of the companies in these sectors are high-growth and tend to be more sensitive to the prospect of rising interest rates.

## Pacific Basin Ex-Japan

Asia Pacific ex Japan performed broadly in line with other markets around the world in the first quarter of 2022, although once again its largest constituent market, China, performed poorly. China has stuck to a strict 'zero-COVID' approach to controlling the spread of the coronavirus, and along with uncertainty in its property sector, this has hurt economic growth. The South Korean stockmarket (which has a large weighting in technology stocks) was also a notable laggard. Conversely, better-performing stockmarkets included Indonesia and Australia, both resource rich countries which benefited from higher commodity prices. Aside from the technology sector, healthcare and consumer discretionary stocks also underperformed. Unsurprisingly, energy and materials stocks outperformed on the back of higher oil and commodity prices, respectively, whilst shares in banks rose on the back of expectations of higher interest rates, which can improve profitability.

## Emerging markets

Emerging market equities experienced a rough time in the first quarter, with the worries about interest rate rises in the US and the war in Ukraine unsettling investors. Russia's stockmarket and currency tumbled following Russia's invasion of Ukraine and the introduction of Western sanctions. Hungary and Poland also declined, given their proximity to the conflict. Chinese shares were dragged down by concerns about rising COVID-19 cases and the economic outlook. It was a far brighter picture for commodity-producing nations, notably in Latin America, which benefited from surging energy and materials prices. Brazil and Peru rallied, while higher oil prices buoyed Kuwait and Qatar. From a sector perspective, financials, materials and utilities led the way, whereas energy (which includes Russian oil companies), consumer discretionary and information technology trailed the broader market.

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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	
	31/03/17 to 31/03/18	31/03/18 to 31/03/19	31/03/19 to 31/03/20	31/03/20 to 31/03/21	31/03/21 to 31/03/22		3 Year	5 Year
Cash S1 Fund Performance	-0.5	-0.1	0.0	-0.7	-0.7	-0.1	-0.5	-0.4
SONIA 7 Days	0.2	0.5	0.6	-0.1	0.0	0.0	0.2	0.2
Discretionary S1 Fund Performance	2.4	4.6	-11.4	27.5	5.5	-2.7	6.0	5.0
Prudential Custom BM Discretionary	3.2	5.7	-6.3	22.5	6.1	-1.9	6.8	5.8
Fixed Interest S1 Fund Performance	0.1	3.0	9.1	-5.5	-4.9	-7.2	-0.7	0.2
FTSE Actuaries UK Conventional Gilts All Stocks Index	0.5	3.7	9.9	-5.5	-5.1	-7.2	-0.5	0.5
Global Equity S1 Fund Performance	2.0	5.0	-17.8	35.8	6.8	-2.0	6.0	5.0
Prudential Custom BM Global Equity	2.3	6.4	-14.0	31.6	9.4	-1.0	7.4	6.1
Index-Linked S1 Fund Performance	0.6	5.2	1.5	2.3	6.5	-5.8	3.4	3.2
FTSE Actuaries UK Index-Linked Gilts Over 5 Years Index	0.7	5.7	2.4	2.6	4.8	-6.4	3.3	3.2
International Equity S1 Fund Performance	3.2	3.7	-13.6	39.4	7.3	-0.5	8.9	6.7
Prudential Custom BM International Equity	4.8	6.5	-7.2	39.1	4.2	-3.3	10.4	8.5
UK Equity S1 Fund Performance	1.5	6.0	-20.8	33.5	6.6	-2.9	4.1	3.9
FTSE All-Share Index	1.2	6.4	-18.5	26.7	13.0	0.5	5.3	4.7

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 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](http://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)	Percentage Growth					Quarter	Annualised	
	31/03/17 to 31/03/18	31/03/18 to 31/03/19	31/03/19 to 31/03/20	31/03/20 to 31/03/21	31/03/21 to 31/03/22		3 Year	5 Year
All Stocks Corporate Bond	2.6	3.7	3.9	8.8	-4.6	-5.4	2.5	2.8
Composite Index	1.2	3.7	1.5	7.0	-5.2	-6.2	1.0	1.6
Cash	0.3	0.6	0.8	0.1	0.1	0.1	0.3	0.4
SONIA 7 Days	0.2	0.5	0.6	-0.1	0.0	0.0	0.2	0.3
Discretionary	3.2	5.3	-10.5	28.1	6.2	-2.4	6.8	5.8
Prudential Custom BM Discretionary	3.2	5.7	-6.3	22.5	6.1	-1.9	6.8	5.8
Dynamic Global Equity Passive	NA	NA	NA	40.0	7.2	-2.4	NA	NA
Prudential Custom BM Dynamic Global Equity Passive	NA	NA	NA	34.5	8.3	-1.4	NA	NA
Dynamic Growth I	2.7	4.4	-2.1	16.3	-1.6	-4.3	3.9	3.7
Prudential Custom BM Dynamic Growth I	0.5	4.7	-0.5	11.2	-1.0	-4.4	3.1	2.9
Dynamic Growth II	2.6	5.0	-4.4	20.1	0.0	-4.0	4.7	4.3
Prudential Custom BM Dynamic Growth II	0.5	5.1	-2.3	14.4	0.5	-4.0	4.0	3.5

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Fund (Series 3)	Percentage Growth					Quarter	Annualised	
	31/03/17 to 31/03/18	31/03/18 to 31/03/19	31/03/19 to 31/03/20	31/03/20 to 31/03/21	31/03/21 to 31/03/22		3 Year	5 Year
Dynamic Growth III	1.9	5.5	-6.6	23.6	1.3	-3.6	5.4	4.7
Prudential Custom BM Dynamic Growth III	0.0	5.4	-4.0	17.6	2.0	-3.5	4.8	4.0
Dynamic Growth IV	2.7	6.2	-9.3	27.8	2.8	-3.4	6.0	5.4
Prudential Custom BM Dynamic Growth IV	0.8	5.7	-6.1	21.6	3.7	-3.0	5.8	4.8
Dynamic Growth V	2.2	6.9	-12.0	32.6	4.4	-3.1	6.8	5.9
Prudential Custom BM Dynamic Growth V	1.7	5.9	-7.9	25.5	5.6	-2.4	6.9	5.6
Europe Equity Passive	4.3	2.3	-8.6	33.7	6.0	-7.0	9.0	6.7
FTSE World Europe ex-UK Index	4.3	2.6	-8.0	34.9	6.5	-7.1	9.8	7.2
Fixed Interest	1.0	3.7	10.3	-4.8	-4.0	-6.9	0.3	1.1
FTSE Actuaries UK Conventional Gilts All Stocks Index	0.5	3.7	9.9	-5.5	-5.1	-7.2	-0.5	0.5
Global Equity	2.7	5.6	-17.0	36.3	7.6	-1.8	6.8	5.7
Prudential Custom BM Global Equity	2.3	6.4	-14.0	31.6	9.4	-1.0	7.4	6.1
Index-Linked	1.4	6.0	2.3	3.1	7.2	-5.5	4.2	4.0
FTSE Actuaries UK Index-Linked Gilts Over 5 Years Index	0.7	5.7	2.4	2.6	4.8	-6.4	3.3	3.2
Index-Linked Passive	0.4	5.8	3.0	1.8	5.3	-6.1	3.4	3.2
FTSE Actuaries UK Index-Linked Gilts Over 5 Years Index	0.7	5.7	2.4	2.6	4.8	-6.4	3.3	3.2
International Bond	-4.6	6.9	11.4	-7.2	0.8	-0.5	1.4	1.2
Barclays Global Agg Treasury Custom >\$3Bln from 18.06.13	-4.0	6.0	11.1	-8.8	-2.9	-3.4	-0.5	0.0
International Equity	4.0	4.3	-12.8	39.9	8.0	-0.3	9.6	7.4
Prudential Custom BM International Equity	4.8	6.5	-7.2	39.1	4.2	-3.3	10.4	8.5

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	31/03/17 to 31/03/18	31/03/18 to 31/03/19	31/03/19 to 31/03/20	31/03/20 to 31/03/21	31/03/21 to 31/03/22		3 Year	5 Year
Japan Equity Passive	5.7	0.5	-3.3	25.7	-3.2	-3.7	5.6	4.6
FTSE Japan Index	7.5	-0.9	-2.1	26.3	-2.3	-3.5	6.5	5.2
Long Dated Corporate Bond	3.2	3.9	6.5	8.8	-7.5	-11.2	2.3	2.8
iBoxx Sterling Over 15 Years Non Gilts Index	1.9	4.9	3.6	9.2	-8.3	-11.9	1.3	2.1
Long Term Bond	2.8	4.9	11.0	0.0	-7.2	-11.6	1.0	2.1
50:50 FTSE Actuaries UK Conventional Gilts Over 15 Years Index: iBoxx Sterling > 15Yr Non-Gilts Index	2.1	4.8	10.6	-1.0	-7.7	-12.1	0.4	1.6
Long-Term Gilt Passive	2.2	4.6	17.8	-10.3	-7.2	-12.3	-0.7	0.9
FTSE Actuaries UK Conventional Gilts Over 15 Years Index	2.2	4.7	17.6	-10.4	-7.2	-12.3	-0.7	0.9
Long Term Growth Passive	2.7	6.6	-13.0	34.9	9.0	-1.5	8.6	7.0
Prudential Custom BM Long Term Growth Passive	3.1	6.4	-12.2	35.1	8.7	-1.6	8.8	7.2
North America Equity Passive	1.0	17.2	-3.9	42.1	19.9	-1.8	17.9	14.2
FTSE World North America Index	1.3	17.5	-2.8	42.8	19.7	-2.1	18.4	14.6
Overseas Equity Passive	4.0	6.5	-9.2	41.1	6.4	-3.0	10.8	8.6
Prudential Custom BM Overseas Equity Passive	4.2	6.4	-7.9	41.2	5.8	-3.0	11.2	8.8
Pacific Basin ex-Japan Equity Passive	3.8	3.0	-14.7	53.1	4.4	1.6	10.9	7.8
FTSE World Asia ex-Japan Index	3.9	3.9	-14.1	53.2	5.3	1.4	11.5	8.4

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Positive Impact	NA	NA	NA	42.1	5.1	-7.9	NA	NA
MSCI ACWI Index	NA	NA	NA	39.6	12.9	-2.5	NA	NA
UK Equity	2.2	6.5	-20.0	33.9	7.2	-2.6	4.8	4.6
FTSE All-Share Index	1.2	6.4	-18.5	26.7	13.0	0.5	5.3	4.7
UK Equity Passive	1.3	6.6	-18.3	26.6	12.4	0.1	5.1	4.7
FTSE All-Share Index	1.2	6.4	-18.5	26.7	13.0	0.5	5.3	4.7
UK Smaller Companies	16.9	4.0	-21.9	81.0	-2.7	-14.5	11.2	10.8
FTSE Smaller Companies (ex Investment Trusts) Index	2.2	-3.1	-24.4	74.9	5.5	-6.5	11.7	6.7
Baillie Gifford Diversified Growth	5.2	1.6	-9.0	19.7	4.0	-5.3	4.3	3.9
UK Base Rate + 3.5%	3.8	4.2	4.3	3.6	3.7	1.0	3.9	3.9
Baillie Gifford Global Stewardship	11.4	12.9	-2.4	94.5	-15.7	-16.4	17.0	15.0
MSCI AC World Index	2.9	11.1	-6.2	39.6	12.9	-2.5	13.9	11.1
Baillie Gifford UK Equity Core	6.6	7.4	-22.1	45.6	-0.2	-10.3	4.2	5.3
FTSE All-Share Index	1.2	6.4	-18.5	26.7	13.0	0.5	5.3	4.7
BlackRock Aquila All Stocks Corporate Bond Index	0.7	4.2	2.7	6.7	-5.5	-5.5	1.2	1.7
IBOXX Sterling Non-Gilts Index	1.2	3.7	1.5	7.0	-5.2	-6.2	1.0	1.6
BlackRock Aquila Consensus	0.2	8.7	-7.7	25.2	7.8	-1.9	7.6	6.3
ABI Mixed Investment 40-85% Shares (pre- 01/10/16: CAPS Balanced Consensus Survey Median)	0.9	6.6	-5.3	20.9	8.0	-2.4	7.3	5.9

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BlackRock Aquila Emerging Markets Equity	8.8	-0.1	-14.2	47.3	-7.5	-3.5	5.3	4.9
MSCI Emerging Markets Index	11.4	-0.3	-13.5	42.3	-7.1	-4.3	4.6	4.9
BlackRock Aquila Over 15 Years UK Gilt Index	0.2	6.2	18.3	-10.0	-6.4	-9.0	-0.1	1.2
FTSE Actuaries UK Conventional Gilts Over 15 Years Index	2.2	4.7	17.6	-10.4	-7.2	-12.3	-0.7	0.9
BlackRock Aquila UK Equity Index	1.5	8.5	-22.6	33.2	11.8	-1.1	4.9	4.9
FTSE All-Share Index	1.2	6.4	-18.5	26.7	13.0	0.5	5.3	4.7
BlackRock Aquila World ex-UK Index	1.3	14.4	-8.0	46.6	14.1	-0.4	15.5	12.3
FTSE Developed Ex UK	1.8	11.4	-5.1	39.7	14.3	-2.8	14.8	11.4
BlackRock Ascent Pacific Rim Equity	0.6	7.2	-19.3	54.0	1.2	3.4	8.0	6.3
FTSE All World Asia Pacific ex-Japan (Developed) Index	1.6	4.6	-17.8	50.3	2.1	2.8	8.1	6.0
HSBC Amanah Global Equity Index	1.3	19.6	2.7	43.9	19.3	-3.4	20.8	16.4
Dow Jones Islamic Markets Titans 100 CR	3.0	19.3	7.1	38.2	20.5	-3.9	21.3	17.0
LGIM Ethical Global Equity Index	1.1	13.7	-7.5	44.5	16.6	-2.2	16.0	12.4
FTSE4Good Global Equity Index	1.9	12.4	-3.4	38.1	17.2	-1.9	16.1	12.4
LGIM Ethical UK Equity Index	1.7	9.4	-21.5	30.7	12.2	0.1	4.8	5.1
FTSE4Good UK Equity Index	1.5	8.2	-17.4	24.3	13.1	1.4	5.1	5.0

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 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](http://pru.co.uk/funds). Simply select "Fund prices info and tools", choose the "Workplace Pensions Funds" tab then pick your fund.

## 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 2022 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 2022 have passed since the contribution was invested.

Performance (applicable from 6 April 2022)

Bonus Series	1 year	3 years	5 years	10 years
Unitised L With-Profits Returns	6.30%	6.20%	5.10%	6.45%
Unitised N With-Profits Returns	6.30%	6.20%	5.10%	6.45%
Cash Accumulation MPP With-Profits Returns	6.30%	6.20%	5.10%	6.45%
Cash Accumulation AVC With-Profits Returns	6.30%	6.20%	5.10%	6.45%
Cash Accumulation AVC With-Profits Series 2 Returns	5.70%	5.60%	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 2022.

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 2022.

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	
	31/03/17 to 31/03/18	31/03/18 to 31/03/19	31/03/19 to 31/03/20	31/03/20 to 31/03/21	31/03/21 to 31/03/22		3 Year	5 Year
<b>Deposit fund</b>	0.33%	0.65%	0.75%	0.10%	0.16%	0.08%	0.34%	0.40%

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](http://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.

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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 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

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