

# PruFund monthly update: April 2025

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

## Latest PruFund UPA update: April 2025

All PruFund announcements occur on the 25th (or next working day). Expected Growth Rate (EGR) announcements occur quarterly in February, May, August and November. Unit Price Adjustment (UPA) announcements occur on a monthly basis outside of these dates but only relate to the PruFund range of funds available via:

- International Portfolio Bond (Series C)
- Retirement Account (Series E)
- M&G Wealth Platform (Series F)

At the latest month we've announced **downward UPAs** for some of the PruFund Planet funds:

- PIA PruFund Planet 1 Series C – UPA applied: -2.06%
- PIA PruFund Planet 3 Series C – UPA applied: -3.16%

- PIA PruFund Planet 5 Series C – UPA applied: -3.12%
- PruFund Planet 1 Series E – UPA applied: -2.06%
- PruFund Planet 3 Series E – UPA applied: -3.16%
- PruFund Planet 5 Series E – UPA applied: -3.12%
- PruFund Planet 1 Series F – UPA applied: -2.05%
- PruFund Planet 3 Series F – UPA applied: -3.14%
- PruFund Planet 5 Series F – UPA applied: -3.12%.

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

 PruFund smoothing process.

## PruFund and diversification

M&G Treasury & Investment Office (T&IO) continue to see value in ensuring PruFunds are well diversified across different asset classes and regions, with exposure to a range of investments across Equities, Fixed Income, Real Estate and Real Assets. This coverage gives access to returns from many different investments, asset classes that have an element of 'inflation linkage' and investments that lean towards solving the problems of the future. Global diversification remains one of the best ways to make portfolios more resilient.

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

 [Equities \(Shares\)](#)  [Fixed Income \(Bonds\)](#)  [Real Estate \(Property\)](#)  [Real Assets \(Alternatives\)](#)


Within **Equities** we hold a similar overall value to peers, but spread across more funds, with less exposure in the US but more in Asian and Emerging Market equities.

We have a lower allocation in **Fixed Income** compared to peers but we have more emphasis on high-yield regions and private credit. However, our exposure to Gilts and Treasuries (Government Bonds) has increased in recent years.

**Real Assets** are diversified across asset classes and regions with Real Estate remaining a key diversifying asset.

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

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

 PruFund Growth  PruFund Cautious  Risk Managed PruFunds

Most asset classes within the PruFund range of funds saw lower returns this month. India led equity returns, with US and China declining after renewed trade tensions. The highest fixed income returns came from the European (including UK) area and it was a better month for Real Estate assets, driven by returns from Europe and the UK. Alternative assets were lower in April, the weakest being private equity.

## Market Context from the M&G Treasury & Investment Office

- There's signs of slowing inflation across global markets. UK inflation recently decreased from 2.8% to 2.6% although the Bank of England (BoE) projects it could rise to 3.7% in Q3 2025. Eurozone inflation decreased slightly (2.3% to 2.2%) alongside the US (2.8% to 2.4%). Interest rates are still easing with an additional cut of 0.25% made by the European Central Bank. The BoE and US Federal Reserve have held rates, further cuts may be seen in 2025 however central bank projections indicate a slower pace of cuts.
- It has been a **volatile few weeks for markets**, investor confidence has been tested with back-and-forth tariff announcements from President Trump. This uncertainty has reduced returns in equity markets, while even US government bonds, usually considered a safe-haven investment in times of instability, have fallen. Following 5 days of market turmoil, a 90-day pause on tariffs has provided temporary relief but further volatility is expected as countries focus their efforts to negotiate with the US.

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

Although PruFund is a medium to long term investment T&IO monitor markets daily and are ready to act and adjust our investments where necessary to ensure we continue to deliver for all investors.

## Long-term outlook for PruFund

The M&G Treasury & Investment Office continue to monitor markets and identify potential risks and opportunities surrounding stimulus measures and investor sentiment, ensuring PruFunds are well placed to continue to deliver for customers over the medium to long-term. PruFund is designed to be a medium to long-term investment (5 to 10 years or more) and over this time period PruFund has delivered consistent returns comparative to other multi-asset funds.

The value of your investments can go down as well as up and you could get back less than you paid in. Past performance is not a reliable indicator of future performance.