Prudential Discretionary S1

Aims

Objective: The investment strategy of the fund is to purchase units in the M&G PP Discretionary Fund - the underlying fund.

Underlying Fund Objective: The fund provides a multi-asset approach to investment, holding a mix of UK and overseas company shares, bonds, property, cash plus listed alternative assets primarily through other M&G funds or direct holdings. It is actively managed against an internal benchmark asset allocation set by the M&G Treasury & Investment Office. It is a "fund of funds" where both active stock selection, within the underlying sector funds, and asset allocation decisions are used to add value. Derivative instruments may be used for efficient portfolio management.

Performance Objective: To outperform the internal composite benchmark by 1.15%-1.40% a year (before charges) on a rolling three year basis.

Benchmark

Benchmark	Internal composite benchmark, asset allocation set by the M&G Treasury & Investment Office (T&IO).
Sector	ABI Mixed Investment 40-85% Shares

Identification Codes

Sedol Code	0702254
Mex Code	PUPMD
Isin Code	GB0007022543
Citi Code	PS17

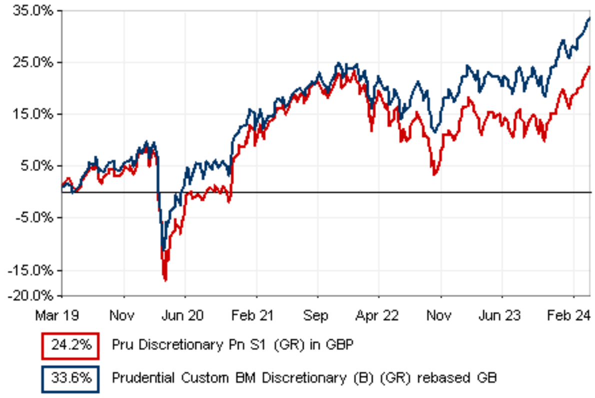
Fund Overview

Bid (02/05/2024)	9.44
Offer (02/05/2024)	9.93
Fund size (31/03/2024)	£410.68m
Underlying Fund size	£530.06m
Number of holdings	7514
Launch date	02/07/1991

Fund Charges

Annual Management Charge (AMC)	0.75%
Further Costs	0.04%
Yearly Total	**0.79%**

Performance



Discrete performance - to latest available quarter end

	31/03/19 to 31/03/20	31/03/20 to 31/03/21	31/03/21 to 31/03/22	31/03/22 to 31/03/23	31/03/23 to 31/03/24
Fund	-11.4%	27.6%	5.5%	-4.6%	9.3%
Benchmark	-6.3%	22.2%	6.3%	0.0%	9.7%

Performance - to latest available quarter end

	Quarter	Annualised		
	1 2024	3 Years to 31/03/24	5 Years to 31/03/24	10 Years to 31/03/24
Fund	3.5%	3.2%	4.4%	6.1%
Benchmark	3.4%	5.3%	6.0%	6.9%

Prudential Risk Rating

Medium Risk

These funds may invest in multi-asset strategies with a higher weighting in equities (or with significant derivative use), while funds investing mainly in property, high yield or government bonds (such as UK Gilts) are also in this category.

These risk ratings have been developed by Prudential to help provide an indication of a fund's potential level of risk and reward based on the type of assets which may be held by the fund. Other companies may use different descriptions and as such these risk ratings should not be considered as generic across the fund management industry.

We regularly review our fund risk ratings, so they may change in the future. If, in our view, there is a material change in the fund's level of risk, for example due to a significant change to the assets held by the fund or in the way the fund is managed, we will provide information on the new risk rating. We recommend that you make sure you understand the risk rating of any fund before you invest.

Fund Managers

Name:	M&G Treasury & Investment Office
Manager of the underlying fund for:	41 years, 1 months

Important Information

- Because of changes in exchange rates the value of your investment, as well as any money you take from it, can go down as well as up.
- Some funds may invest in 'underlying' funds or other investment vehicles. The performance of our fund, compared to what it's invested in won't be exactly the same. That can be due to additional charges, cash management (needed to help people to enter and leave our fund when they want), tax and the timing of investments (this is known as a fund's dealing cycle, it varies between managers and can be several days).
- Source of portfolio data: Broadridge. Source of performance data: FE fundinfo. We can't predict the future. Past performance isn't a guide to future performance. The figures shown are intended only to demonstrate performance history of the fund, after allowing for the impact of fund charges and further costs, but take no account of any Annual Management Charge paid for by the deduction of units. Charges and further costs may vary in the future and may be higher than they are now. Fund performance is based upon the movement of the daily price and is shown as total return in GBP with gross income reinvested. The value of your client's investment can go down as well as up and the amount your client gets back may be less than they put in.
- This factsheet is intended for the advisers 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. You should refer to your client's scheme documentation (e.g. Fund Guide) for fund availability, investment strategy, any scheme information and charges. Every care has been taken in populating this output, however it must be appreciated that neither Broadridge, Prudential nor their sources guarantee the accuracy, adequacy or completeness of this infomation or make any warranties regarding results from its usage.

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Portfolio data accurate as at: **31/03/24**

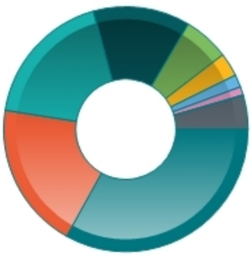
Top 10 Fund Holdings

Name	% Weight
1 M&G PP UK Equity Fund	19.09%
2 M&G PP Pacific Basin ex-Japan Equity	8.98%
3 Eastspring US Corporate Bond Class EG (hedged)	5.71%
4 M&G PP Europe Equity	5.20%
5 iShares iShares II plc UK Property UCITS ETF GBP (Dist)	4.59%
6 M&G (ACS) Japan Equity Fund Z2A Acc	4.40%
7 M&G (ACS) Blackrock US Equity Z2A Acc	4.28%
8 M&G (ACS) BlackRock US Equity 2 GBPZ2A GBP ACC	4.21%
9 M&G Total Return Credit Investment Class PP GBP	4.04%
10 Legal & General Global Infrastructure Index Class C	4.03%

Top 10 Holdings

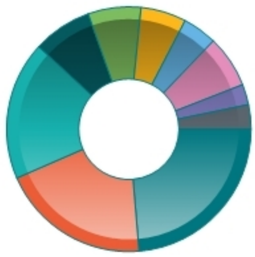
Name	% Weight
1 iShares iShares plc European Property Yield UCITS ETF EUR (Dist)	1.58%
2 USD/GBP GBP	1.22%
3 ASTRAZENECA	1.22%
4 CME S&P EMI FUT Jun24	1.20%
5 HSBC HOLDINGS	1.18%
6 Segro Segro Ord GBP0.1	1.05%
7 TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	1.00%
8 UNILEVER	0.84%
9 BP	0.76%
10 SHELL	0.75%

Asset Allocation



International Equities	33.07%
UK Equities	19.42%
Cash and Equivalents	18.22%
International Bonds	12.85%
Property	6.04%
UK Corporate Bonds	3.14%
Investment Trusts	1.66%
UK Gilts	1.10%
Money Market	0.09%
Other Assets	4.42%

Regional Allocation



UK	23.66%
North America	19.81%
Cash and Equivalents	18.31%
Developed Europe - Excl UK	7.82%
Emerging Asia	6.99%
Property	6.02%
Japan	4.54%
Non-Classified	6.92%
Developed Asia	2.70%
Other Regions	3.22%

Sector Breakdown

Cash and Equivalents	18.31%
Bonds	17.08%
Financials	12.59%
Non-Classified	8.18%
Industrials	7.94%
Consumer Discretionary	6.50%
Real Estate	6.41%
Other Sectors	22.97%

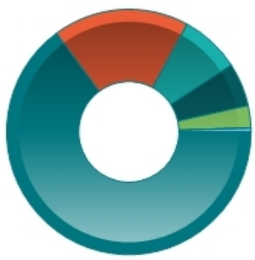
Top Country Breakdown

United Kingdom	23.67%
Cash and Equivalents	18.31%
United States	17.86%
Direct Property and REITs	6.02%
Japan	4.54%
Non-Classified	6.91%
South Korea	2.28%
Other Countries	20.41%

Breakdown By Market Cap (%)

Mega	27.83%
Large	12.92%
Medium	9.22%
Small	3.45%
Micro	0.75%
Non-Classified	10.44%
Bonds	17.08%
Cash	18.31%

Fixed Interest Currencies



Non-Fixed Interest Assets	64.90%
Cash	18.02%
US Dollar	7.88%
Pound Sterling	5.72%
Euro	2.91%
Unrecognised	0.05%
Other Currencies	0.50%

Fixed Interest Quality Profile

AAA	0.87%
AA	1.92%
A	3.68%
BBB	5.14%
Sub-Investment Grade	1.78%
Unknown Quality	3.70%
Cash and Equivalents	18.31%
Other Asset Types	64.61%

Fixed Interest Maturity Profile

< 5Yr Maturity	5.43%
5Yr - 10Yr Maturity	4.38%
10Yr - 15Yr Maturity	1.22%
> 15Yr Maturity	6.04%
Cash And Equivalents	18.31%
Unknown Maturity	3.64%
Other Asset Types	60.96%

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Commentary

Performance as at Q3 2023 - 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. The fund gained in the quarter and was ahead of the benchmark and the comparator. The Japanese stockmarket was one of the strongest performers as investors welcomed a recent shift towards a 'normalisation' of its monetary policy. The UK also fared relatively well, with larger companies benefiting from a boost to their overseas revenues due to sterling weakness. The US market came under pressure on the back of the hawkishness of the Federal Reserve, but was supported by the strength of the US dollar, leading to small gains over the quarter in sterling terms. Sterling weakness also helped Chinese equities to outperform. Emerging and Pacific markets made modest gains, while Europe declined, all in sterling terms. The former were subdued on the back of concerns about the Chinese economy, while Europe came under pressure due to worries about the economic outlook and soaring government bond yields. Stock picks in Europe, Pacific markets, China and, to a lesser extent, emerging markets were beneficial, while selection in the UK, US and Japan held back returns. In terms of fixed income, global bond markets were weak as investors weighed the possibility of central banks pushing out the timing of interest rate cuts because of oil price-related inflation concerns. UK government bonds declined in the quarter, although they fared better than other core sovereign debt such as US and German government bonds, with the assets coming under pressure due to continued restrictive measures from central banks. Meanwhile, the fund's tactical allocation to property was neutral and the asset class implementation of REITs supported overall performance. In response to more positive news on inflation, alongside the strong fundamentals of the US economy and the potential for a positive 'spillover' impact on the global economy, the fund managers took a tactical move to increase the allocation to US equities. This shift was funded from European investment grade bonds and cash. The fund retains a moderate above-benchmark allocation to equities. Central banks' attitudes towards moderating inflation will remain a core theme for investors. The general strength of developed market economies, and the near-term path of inflation, will be crucial to their 'data-dependent' actions. With growing evidence that inflation rates have peaked - although one must note the increase in oil prices recently - attention has turned towards the potential for a global economic 'soft landing'. Equities appear to be at least partially pricing in this optimistic outcome. But they believe investors must remain vigilant, as lagged effects from the rapid interest rate hikes may appear.

Source: M&G

Important Information