

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

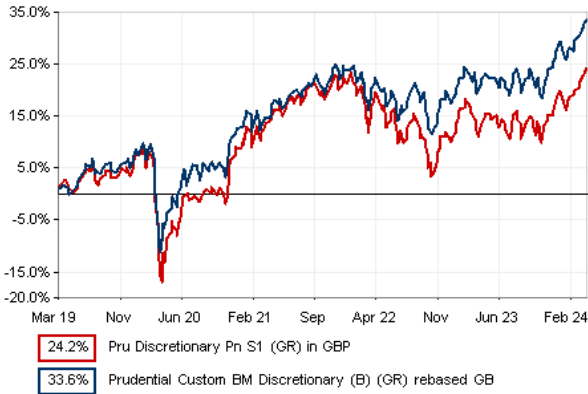
Fund Overview

Bid (24/04/2024)	9.37
Offer (24/04/2024)	9.86
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%
<b>Yearly Total</b>	<b>0.79%</b>

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 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

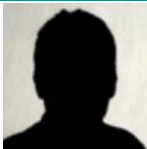
Medium Risk

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

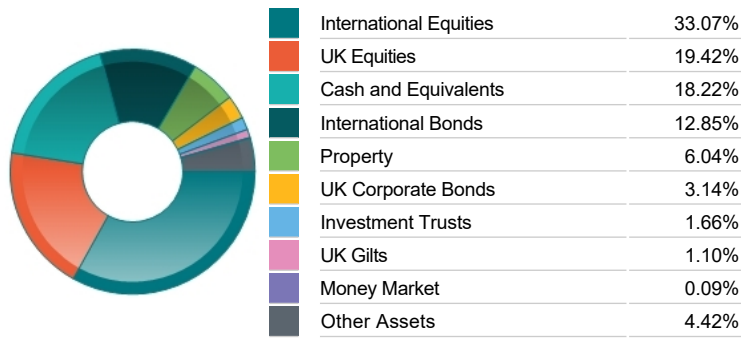
Important Information

- 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 information or make any warranties regarding results from its usage.

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%

Asset Allocation



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%

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 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%

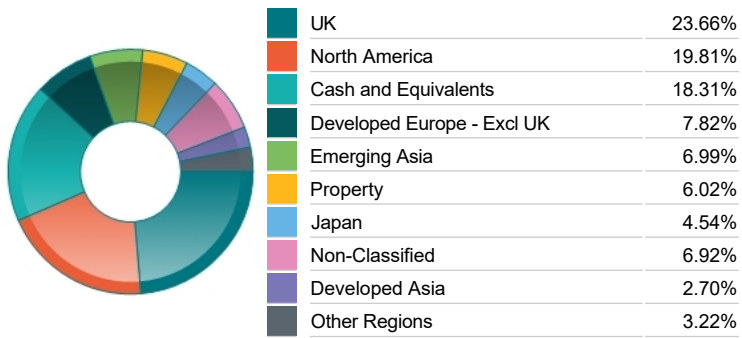
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Top 10 Holdings

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%

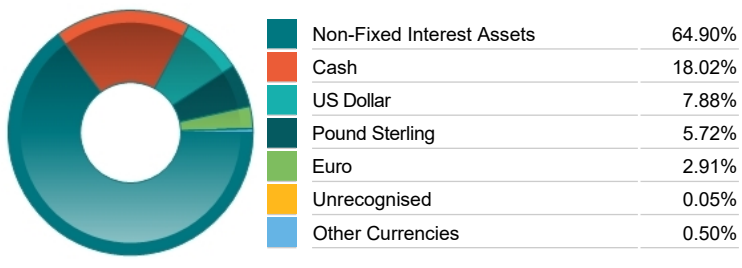
Regional Allocation



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%

Fixed Interest Currencies



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%

## Commentary

Performance as at Q4 2023 - It was a positive fourth quarter for most financial assets, with investor sentiment supported by the easing of inflationary pressures, optimism about forthcoming rate cuts by central banks and a potential economic 'soft landing'. After an initial period of weakness, the year ended with a powerful two-month rally in equity and bond markets. The fund gained in the quarter and was broadly in line with the benchmark and ahead of the comparator. Europe and the US were among the strongest performers, while all main markets registered gains, all in sterling terms. The European Central Bank kept interest rates on hold during the quarter and investors became more optimistic about interest rate cuts in 2024. Similarly, US equities were supported by increased speculation that the US Federal Reserve had ended its interest rate hiking cycle as inflation continues to fall. Pacific and emerging markets were held back by the weak performance of China and Hong Kong. Interest rates in Japan are very low but the Japanese stockmarket rallied on the back of hopes that rates in other major economies had peaked and would begin falling in 2024. The UK was one of the weaker regions globally, as concerns about the subdued economy weighed on sentiment. Stockpicking in the US was beneficial, while selection in the UK detracted. So too did stockpicks in Pacific markets, Europe, Japan and emerging markets, although to a lesser extent. In terms of fixed income, expectations for cuts in interest rates also supported global bond markets, with both government and corporate bonds performing well. In particular, UK government bonds (gilts) outperformed both US and German government bonds, and were supported by an easing of annual inflation to 3.9%, raising expectations that the Bank of England would start cutting interest rates this year. Meanwhile, the fund's allocation to property was beneficial. As inflation continues to ease, alongside the positive fundamentals of the US economy and the potential for a beneficial 'spillover' impact on the global economy, we retain a moderately above-benchmark position in equities. As part of the long-term strategic asset allocation review, we implemented a small update to the portfolio, reducing our exposure to UK, Asian and European equities. We increased the allocation to fixed interest, taking new positions in US government bonds, based on a valuation perspective. The allocation to Alternatives was increased and diversified through the introduction of infrastructure assets. We also sold some UK property and started exposure to European and Asian property. While central banks continue to keep monetary policy tight enough to drive inflation back towards the 2% target, there is growing evidence of a continued softening in inflation. This has led investors to focus on the potential for central banks to ease policy rates to prevent further restriction to the economy, and prospects for a global economic 'soft landing'. Recent price moves suggest equities and bonds are priced for this 'goldilocks' outcome, although evidence increasingly suggests that higher borrowing costs are slowing economic activity.

Source: M&G

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