

**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 | 3168574      |
| Mex Code   | PUD          |
| Isin Code  | GB0031685745 |
| Citi Code  | P271         |

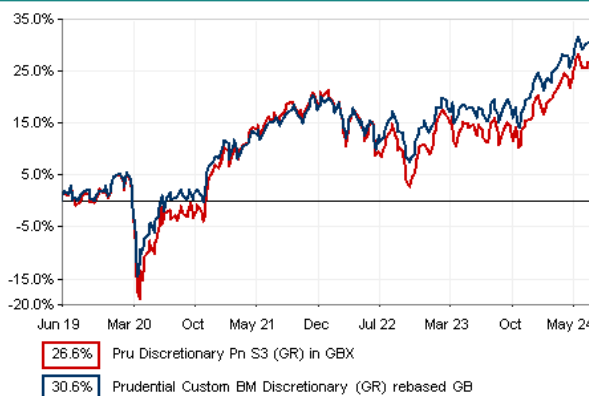
**Fund Overview**

|                          |            |
|--------------------------|------------|
| Daily price (24/07/2024) | 456.20     |
| Fund size (30/06/2024)   | £407.85m   |
| Underlying Fund size     | £529.04m   |
| Number of holdings       | 7312       |
| Launch date              | 06/04/2001 |

**Fund Charges**

|                                |   |
|--------------------------------|---|
| Annual Management Charge (AMC) | Please refer to the "Fund Guide" for your specific pension plan |
|--------------------------------|---|

**Performance**



**Discrete performance - to latest available quarter end**

|           | 30/06/19 to 30/06/20 | 30/06/20 to 30/06/21 | 30/06/21 to 30/06/22 | 30/06/22 to 30/06/23 | 30/06/23 to 30/06/24 |
|-----------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Fund      | -3.5%                | 20.3%                | -6.3%                | 3.6%                 | 12.4%                |
| Benchmark | 0.1%                 | 15.2%                | -3.4%                | 5.1%                 | 11.5%                |

**Performance - to latest available quarter end**

|           | Quarter |                     | Annualised          |                      |  |
|-----------|---------|---------------------|---------------------|----------------------|--|
|           | 2 2024  | 3 Years to 30/06/24 | 5 Years to 30/06/24 | 10 Years to 30/06/24 |  |
| Fund      | 1.7%    | 2.9%                | 4.8%                | 6.8%                 |  |
| Benchmark | 1.4%    | 4.2%                | 5.5%                | 6.9%                 |  |

**Prudential Risk Rating**

**Medium Risk**

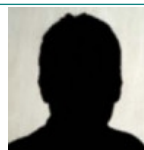
These funds may invest in multi-asset strategies with a higher weighting in equities (or with significant derivative use), while funds investing mainly in property, high yield or government bonds (such as UK Gilts) are also in this category.

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.

You should also consider discussing your decision and the appropriateness of a fund's risk rating with an adviser.

**Fund Managers**



Name: M&G Treasury & Investment Office  
 Manager of the underlying fund for: 41 years, 3 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 investment can go down as well as up so you might get back less than you put in.
- This factsheet is intended for the 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 included, then please contact an adviser. Investors should refer to their 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.

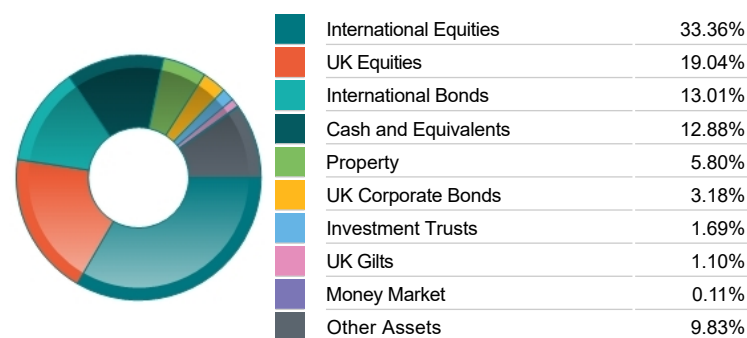
**Top 10 Fund Holdings**

| Name  | % Weight |
|---|----------|
| 1 M&G PP UK Equity Fund                                   | 19.15%   |
| 2 M&G (1) Asia Pacific (ex Japan) Equity Class GBPZ2A     | 9.23%    |
| 3 Eastspring US Corporate Bond Class EG (hedged)          | 5.76%    |
| 4 M&G PP Europe Equity                                    | 5.21%    |
| 5 iShares iShares II plc UK Property UCITS ETF GBP (Dist) | 4.49%    |
| 6 M&G (ACS) Blackrock US Equity Z2A Acc                   | 4.27%    |
| 7 M&G (ACS) Japan Equity Fund Z2A Acc                     | 4.22%    |
| 8 M&G (ACS) BlackRock US Equity 2 GBPZ2A GBP ACC          | 4.15%    |
| 9 Legal & General Global Infrastructure Index Class C     | 4.07%    |
| 10 M&G Total Return Credit Investment Class PP GBP        | 4.02%    |

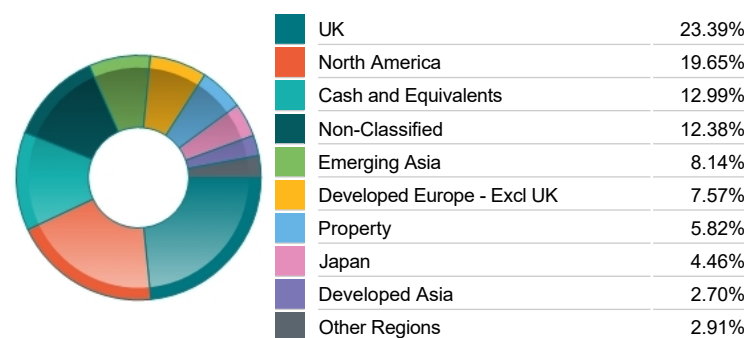
**Top 10 Holdings**

| Name   | % Weight |
|--|----------|
| 1 iShares iShares plc European Property Yield UCITS ETF EUR (Dist) | 1.54%    |
| 2 ASTRAZENECA  | 1.36%    |
| 3 HSBC HOLDINGS  | 1.23%    |
| 4 CME S&P EMI FUT Jun24  | 1.22%    |
| 5 Segro Segro Ord GBP0.1   | 1.05%    |
| 6 TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED               | 0.94%    |
| 7 UNILEVER   | 0.81%    |
| 8 SAMSUNG ELECTRONICS CO. LTD                                      | 0.77%    |
| 9 BP   | 0.74%    |
| 10 SHELL   | 0.71%    |

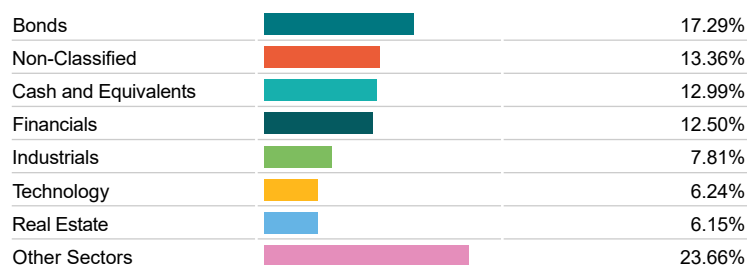
**Asset Allocation**



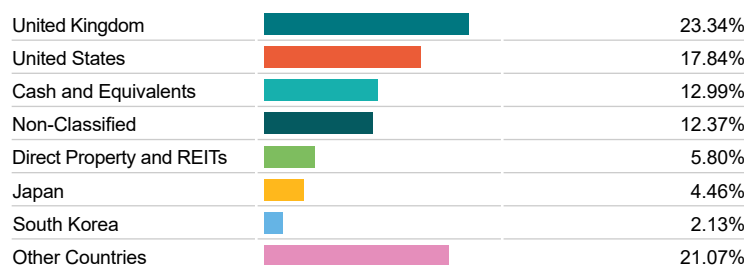
**Regional Allocation**



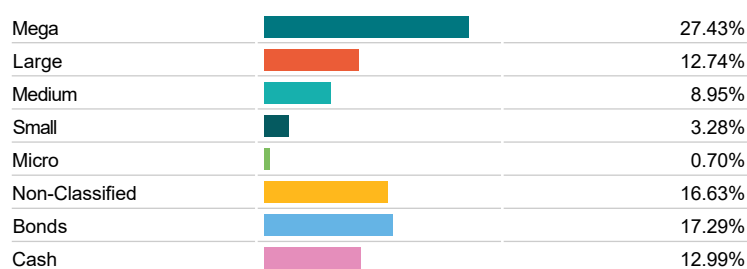
**Sector Breakdown**



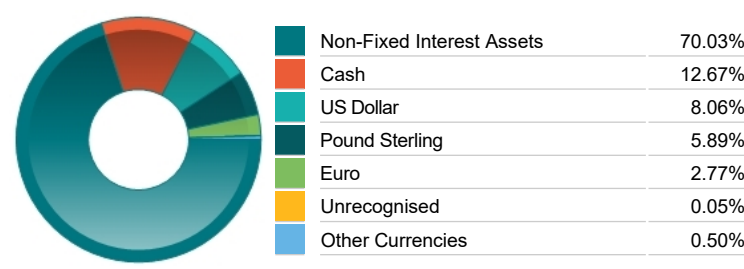
**Top Country Breakdown**



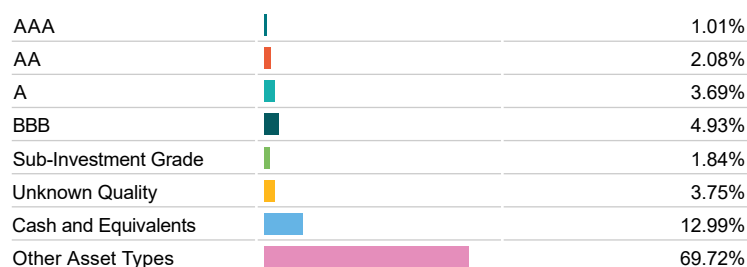
**Breakdown By Market Cap (%)**



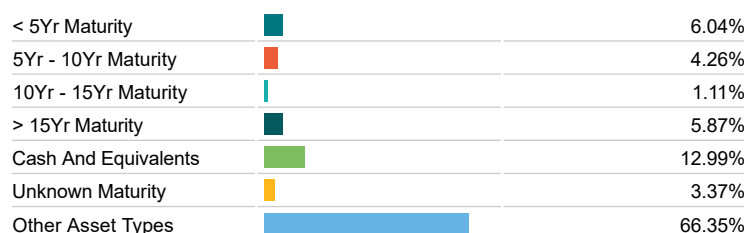
**Fixed Interest Currencies**



**Fixed Interest Quality Profile**



**Fixed Interest Maturity Profile**



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## Commentary

Performance as at Q1 2024 - Supported by easing inflationary pressures, robust economic data and, initially, the possibility of interest rate cuts in the near term, the first quarter of 2024 ended with solid gains for global equity markets. However, bonds fared less well, with the rally in bond markets at the end of 2023 fading in the first quarter as investors pushed back their timing of potential interest rate cuts by central banks. The fund gained in the quarter and was modestly ahead of the benchmark and behind the comparator. Japan and the US were among the strongest performers, while Europe also produced robust gains, all in sterling terms. So too did the UK, Pacific and emerging markets, although to a lesser extent. In the Japanese market, technology shares gained strongly due to a positive earnings season. In other domestic news, the Bank of Japan raised interest rates, ending its negative interest rate policy and the first increase since 2007. Investors in the US stockmarket were encouraged by optimism about the domestic economy as well as the prospect of interest rate cuts. Continued excitement about artificial intelligence (AI) also drove the market gains. Europe was bolstered by decent corporate earnings, the continued gradual decline in inflation and the prospect of rate cuts. Meanwhile, the UK was held back by the lacklustre outlook for the domestic economy. The poor performance of China weighed on Pacific and emerging markets, while the latter were also held back by some Latin American markets. Stockpicking in China, Japan, Europe and emerging and Pacific markets was beneficial, while selection in the US was broadly neutral. Stockpicks in the UK held back relative performance. In terms of fixed income, bond yields rose in January and February before recovering somewhat in March, when the US Federal Reserve confirmed that it expected to cut interest rates three times in 2024. (Bond yields and prices move in opposite directions.) UK government bonds declined in the first quarter of 2024, underperforming US and German government bonds. Global corporate bonds were broadly flat over the quarter although high yield corporates fared better. Meanwhile, the fund's allocation to property detracted. As inflation continues to ease, alongside the strong fundamentals of the US economy, we believe the scene is set for the beginning of monetary policy loosening. In this environment, it was felt that to retain a moderate above-benchmark, diversified position in equities. In a tactical move, European credit was increased from cash in January and again in February, while retaining a below-index allocation to fixed income. It was felt that although yields had moved upwards in the first two months of the year, expected rate cuts could lead to a fall in yields in the middle of the year. Following positive performance, and given the risks of potentially stubborn inflation in the US and the potential for rate cuts in Europe, in tactical moves in March the equity position (equally across all regions), and further increased European credit. With growing evidence of softening prices, central banks may be in a position to ease monetary policy in the second half of 2024 but employment, activity and inflation data over the next few months will be critical to the evolution of their thinking. The US economy continues to look strong, with the prospect of a 'soft landing' appearing more likely. However, other regions, including the eurozone, face more challenging conditions, which could lead to diverging rate cutting cycles and opportunities in relative value trades.

Source: M&G

## Important Information

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