Prudential Baillie Gifford Diversified Growth S3

Aims

Objective: The investment strategy of the fund is to purchase units in the Baillie Gifford Diversified Growth Fund - the underlying fund, a collective investment scheme managed by Baillie Gifford & Co Limited.

Underlying Fund Objective: The fund aims to achieve (after deduction of costs): - an annualised return over rolling five-year periods that is at least 3.5% more than UK Base Rate - a positive return over rolling three-year periods - annualised volatility of returns over rolling five-year periods that is below 10%

There is no guarantee that a positive return will be achieved over rolling three-year periods, or any time period, and capital may be at risk.

The fund will gain exposure to a wide range of asset classes. The fund is actively managed and the investment manager has the discretion to invest in any country or economic sector. At any one time, the fund may be invested in any one or more of the following: shares, bonds, money market instruments, derivatives, currency forwards, deposits, cash and other transferable securities. This exposure may be achieved directly or indirectly via collective investment schemes (which may include those managed or operated by the Authorised Corporate Director (ACD) of the fund). The fund may also invest indirectly in property, infrastructure, commodities, private equity, loans and insurance-linked securities. The collective investment schemes in which the fund invests may include those managed or operated by the ACD. The Sub-fund may, at any one time, obtain its diversification through investing up to 100% in collective investment schemes. The fund may use derivatives for both investment purposes and in the management of risk.

Benchmark

Benchmark	UK base rate + 3.5% (Target Return)
Sector	ABI Specialist

Identification Codes

Sedol Code	B4W5196
Mex Code	PUDIVE
Isin Code	GB00B4W51962
Citi Code	08K4

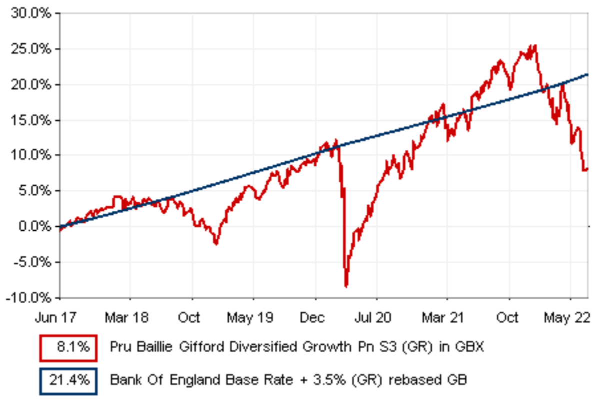
Fund Overview

Daily price (15/08/2022)	162.10
Fund size (30/06/2022)	£18.70m
Underlying Fund size	£4134.52m
Number of holdings	800
Launch date	22/08/2011

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

	30/06/17 to 30/06/18	30/06/18 to 30/06/19	30/06/19 to 30/06/20	30/06/20 to 30/06/21	30/06/21 to 30/06/22
Fund	2.1%	4.5%	-2.4%	14.7%	-9.5%
Benchmark	3.9%	4.2%	4.1%	3.6%	3.9%

Performance - to latest available quarter end

	Quarter	Annualised		
	2 2022	3 Years to 30/06/22	5 Years to 30/06/22	10 Years to 30/06/22
Fund	-9.1%	0.4%	1.6%	4.1%
Benchmark	1.1%	3.9%	4.0%	4.0%

Prudential Risk Rating

Lower to Medium Risk

These funds may invest in corporate bonds or multi-asset strategies with a higher weighting in corporate bonds (and other comparable strategies).

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.

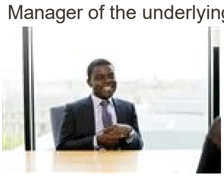
We regularly review our fund risk ratings, so they may change in the future. If, in our view, there is a material change in the fund's level of risk, for example due to a significant change to the assets held by the fund or in the way the fund is managed, we will provide information on the new risk rating. 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:	Scott Lothian	Nicoleta Dumitru	James Squires
Manager of the underlying fund for:	6 years, 7 months	2 years, 7 months	7 years, 4 months



Felix Amoako-Kwarteng

7 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 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.

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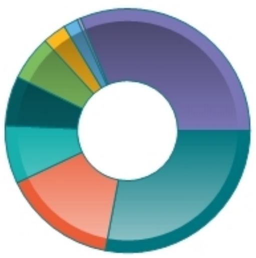
Portfolio data accurate as at: **31/07/22**

Top 10 Holdings

Name	% Weight	Sector	Country
1 Citigroup Volatility Carry ETN (c)	3.05%	Non-Classified	Non-Classified
2 BAML Commodity Carry ETN (c)	2.57%	Non-Classified	Non-Classified
3 UBS CSI 500 NTR index + 7.05% ETN (c)	2.34%	Bonds	Ireland
4 UK T Bill 15/08/2022	2.01%	Non-Classified	Non-Classified
5 CS CSI 500 NTR index + 9.5% ETN	1.83%	Non-Classified	Non-Classified
6 Fair Oaks Senior CLO Note	1.63%	Non-Classified	Non-Classified
7 BG Worldwide Sustainable EM Bond C USD ACC	1.58%	Non-Classified	Non-Classified
8 Australia 1.75% 21/06/2051	1.55%	Bonds	Australia
9 Australia 3% 21/03/2047	1.55%	Bonds	Australia
10 UBS WTI Curve Strategy ETN	1.52%	Non-Classified	Non-Classified

Asset Allocation



International Equities	27.93%
International Bonds	15.06%
Cash and Equivalents	7.68%
Property	6.59%
Investment Trusts	5.96%
Alternative Trading Strategies	3.12%
UK Equities	1.93%
UK Corporate Bonds	0.46%
Other Assets	31.29%

Regional Allocation

Non-Classified	38.27%
Developed Europe - Excl UK	14.11%
North America	12.47%
Cash and Equivalents	7.68%
Property	6.24%
Emerging Asia	5.38%
Australia & New Zealand	4.76%
UK	4.65%
South & Central America	2.61%
Other Regions	3.82%

Bond Sector Breakdown

Non-Classified	32.13%
Bonds	15.51%
Utilities	7.91%
Real Estate	7.86%
Cash and Equivalents	7.68%
Financials	7.57%
Industrials	4.49%
Other Sectors	16.86%

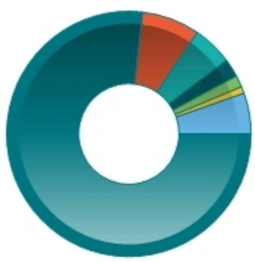
Top Country Breakdown

Non-Classified	38.27%
United States	11.31%
Cash and Equivalents	7.68%
Direct Property and REITs	6.24%
Australia	4.76%
United Kingdom	4.65%
China	3.29%
Other Countries	23.80%

Breakdown By Market Cap (%)

Mega	12.69%
Large	10.20%
Medium	12.14%
Small	1.14%
Micro	0.64%
Non-Classified	40.00%
Bonds	15.51%
Cash	7.68%

Fixed Interest Currencies



Non-Fixed Interest Assets	76.81%
Cash	7.68%
US Dollar	5.26%
Euro	2.42%
Australian Dollar	1.55%
Brazilian Real	0.90%
Other Currencies	5.39%

Fixed Interest Quality Profile

AAA	3.28%
AA	0.03%
A	0.33%
BBB	2.03%
Sub-Investment Grade	2.36%
Unknown Quality	7.26%
Cash and Equivalents	7.68%
Other Asset Types	77.03%

Fixed Interest Maturity Profile

< 5Yr Maturity	4.97%
5Yr - 10Yr Maturity	2.46%
10Yr - 15Yr Maturity	1.54%
> 15Yr Maturity	6.33%
Cash And Equivalents	7.68%
Unknown Maturity	23.69%
Other Asset Types	53.34%

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Commentary

Performance as at Q1 2022 - During the spring of 2021, economies were continuing to reopen as vaccines were rolled out across the world and, along with supportive economic policies and low inflation, the subsequent positivity across investment markets was generally a good thing for most asset classes. However, investment markets have had a much more challenging start to 2022, reacting initially to heightened short-term inflation data and then more recently to the war in Ukraine. Russia’s belligerence has rightly been dominating headlines with its aggression having a devastating impact.

As supply chains have become stretched in a number of industries, most notably in commodity markets, inflation concerns have become more embedded, leading central banks to become more inclined towards raising interest rates than had been expected even as recently as three months ago.

From a performance perspective, the underlying fund returned 3.7% over the past twelve months. Infrastructure holdings were the single biggest positive contributor to returns during this time as the fund managers witnessed pledges by governments globally to increase their renewable energy commitments. The elevated energy prices everyone is experiencing should serve to increase both the viability of these renewable developments and international energy independence.

Another asset class that contributed positively to performance was property, with investments in logistics and distribution assets being particularly beneficial. These assets are capitalising on the ongoing shift to e-commerce and the need for increased warehousing space to meet the demand of rising inventory levels. The portfolio’s commodities investments were a notable performer over the period as our exposure to silver and rare earth miners contributed positively against a favourable backdrop for their use in renewable technologies.

Across all asset classes, absolute return was the worst performer with a number underlying holdings performing less well during times of economic stress. However, the fund managers were disappointed with their intraday trend strategies as market conditions worked against their objective of providing protection to the fund. The fund managers have since sold these strategies, replacing them with portfolio hedges in which they have more confidence. High yielding credit also contributed negatively during the 12-month period with the largest detractor being Asian high yield bond funds, initially purchased in Q4 2021. The Chinese property market has been volatile since the introduction of regulations to de-leverage the sector, which in turn has impacted the fund’s holdings. However, the fund managers still have confidence in the medium-to-long-term opportunity this position presents.

From a broader investment and outlook perspective, while the fund managers remain alive to shorter-term swings in market sentiment, their focus remains on taking advantage of longer-term trends. In the funds’ portfolios they are invested in a number of themes – which include the Rise of Asia, the Green Revolution and Technological Innovation – while also maintaining a generally positive view on economies reopening. Indeed, on a medium-term view, the abrupt change in geopolitical relations only strengthens the case for Europe seeking energy independence; wage inflation is increasing the attraction and adoption of automation and other disruptive activities; and supply chain disruption only prompts greater inventories and demand for the logistics properties that store them.

And while the fund managers consistently seek to capture this optimism, they still maintain a defence against misjudgements and longer-term downswings via a refined allocation to more defensively orientated investments, alongside the inherent diversification of our portfolios.

Source: Baillie Gifford

Important Information