

WELCOME

Political upheaval and
economic headwinds –
but what does it mean
for investing client
funds?

13 September 2022

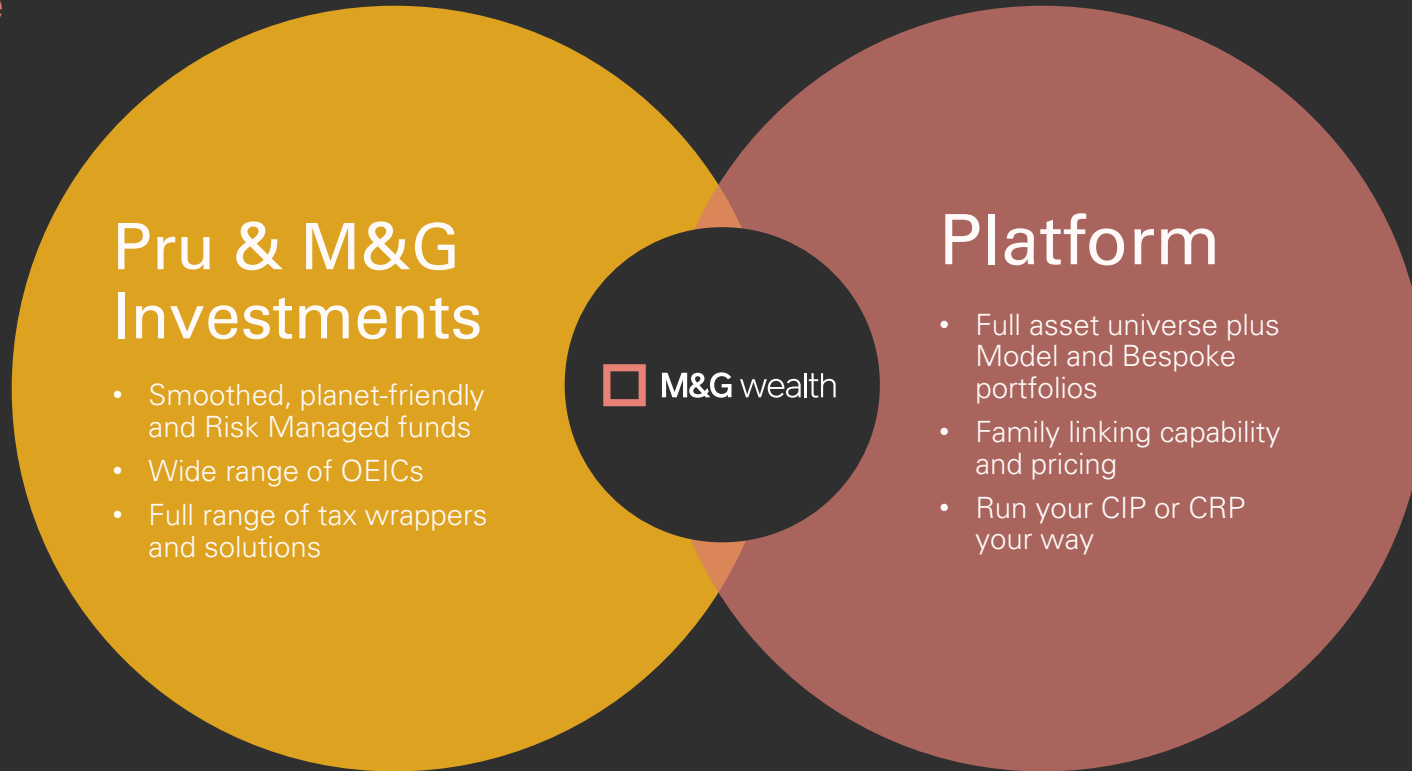
For Adviser use only. Not for use with clients.

Who we are



Technical expertise

Thought-leadership



Account Management

M&G plc is a company incorporated and with its principal place of business in England, and its affiliated companies constitute a leading savings and investments business. M&G plc is the direct parent company of The Prudential Assurance Company Limited. The Prudential Assurance Company Limited is not affiliated in any manner with Prudential Financial, Inc, a company whose principal place of business is in the United States of America or Prudential plc, an international group incorporated in the United Kingdom.

WELCOME

Political upheaval and
economic headwinds –
but what does it mean
for investing client
funds?

13 September 2022

For Adviser use only. Not for use with clients.

Important Information

The information in this presentation is based on our understanding of current taxation, legislation and HM Revenue & Customs practice all of which are liable to change without notice. The impact of any taxation (and any tax reliefs) depends on individual circumstances. Full terms and conditions are available on request.

Where a presentation includes case studies or examples these are for illustration purposes and are not recommending a specific course of action.

Past performance is not a reliable indicator of future performance. The value of an investment can go down as well as up and your client may get back less than they've paid in.

No reproduction, copy, transmission or amendment of this presentation may be made without written permission from Prudential.

“Prudential” is a trading name of Prudential Distribution Limited. Prudential Distribution Limited is registered in Scotland. Registered Office at Craigforth, Stirling FK9 4UE. Registered number SC212640. Authorised and regulated by the Financial Conduct Authority.

Important Information

The value of a fund's assets will go down as well as up. This will cause the value of your investment to fall as well as rise and you may get back less than you originally invested. The views expressed in this presentation should not be taken as a recommendation, advice or forecast.

For financial advisers only. Not for onward distribution. No other persons should rely on any information contained within.

This financial promotion is issued by M&G Securities Limited which is authorised and regulated by the Financial Conduct Authority in the UK and provides ISAs and other investment products. The company's registered office is 10 Fenchurch Avenue, London EC3M 5AG. Registered in England and Wales. Registered Number 90776.

Learning Objectives



By the end of this session, you will be able to:

1.

Articulate what policy changes the new Prime Minister might introduce and the impact these could have on the outlook for the economy in the UK.

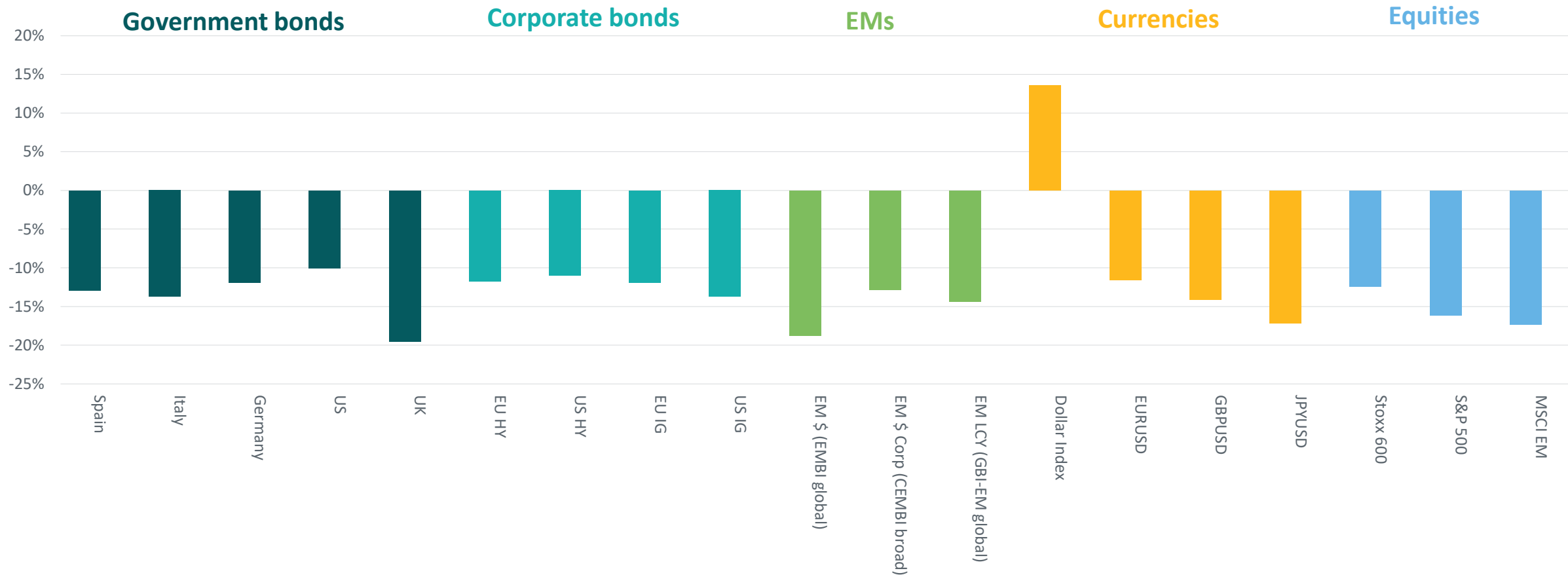
2.

Explain the outlook for capital markets and investments given the current geo-political and macro situation globally.

3.

Provide guidance on the interest rate and inflation outlook with current thinking about opportunities within Fixed Income.

2022 asset price performance



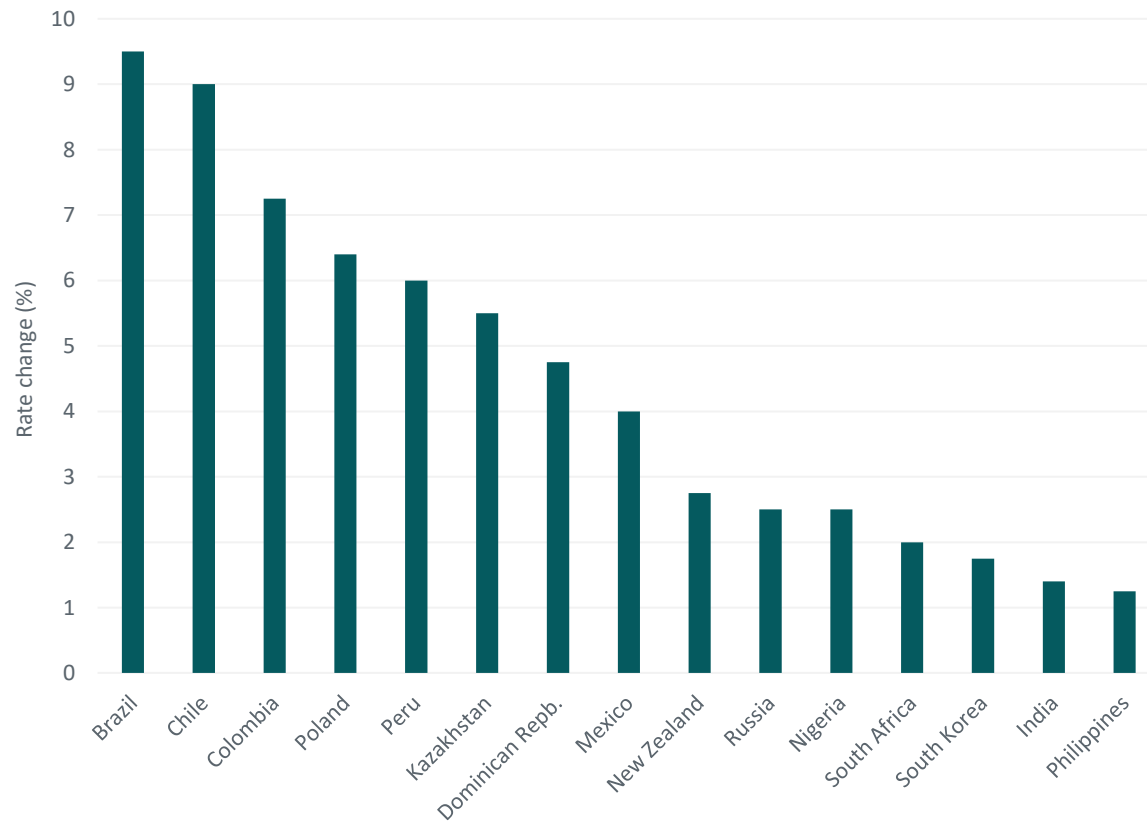
Past performance is no guarantee of future results

Source: Bloomberg, ICE Bank of America, JP Morgan, 31 August 2022

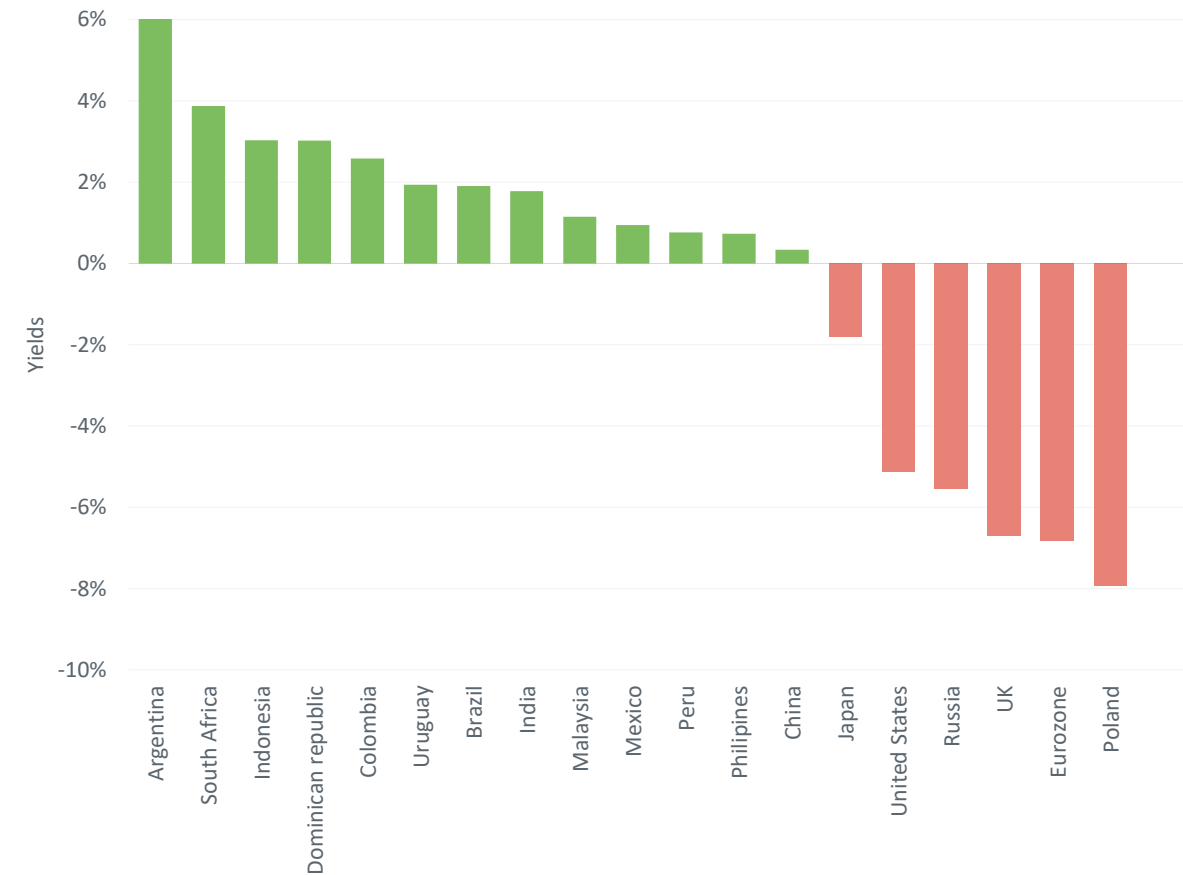
*ICE Spain, Italy, Germany government index. US ICE Treasury & agency index, ICE UK Gilt index. ICE European currency HY index. US ICE high yield index. ICE Euro corporate & pfandbrief index. ICE corporate index. JPM EM \$ JPM EMBI global diversified index. EM \$ corp JPM CEMBI broad diversified composite index. JPM GBI-EM LCY global composite unhedged USD. Spot rate. World currency ranker. Stoxx 600 price index Eur. S&P 500 index. MSCI EM index

Most EM Central Banks are hiking and EM real yields remain elevated vs DM

Central Banks - Rate change over 1 year



Real yield: 10-year sovereign yield* minus forward looking inflation expectations.



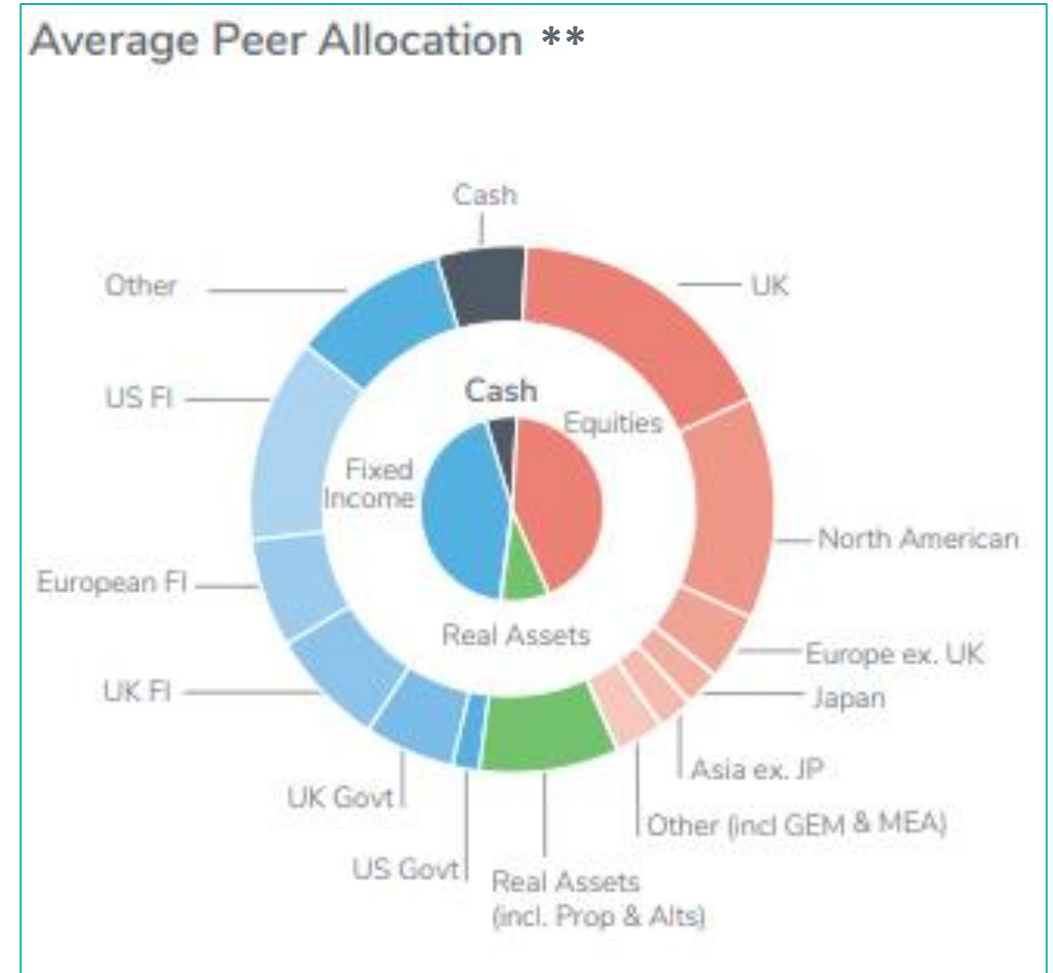
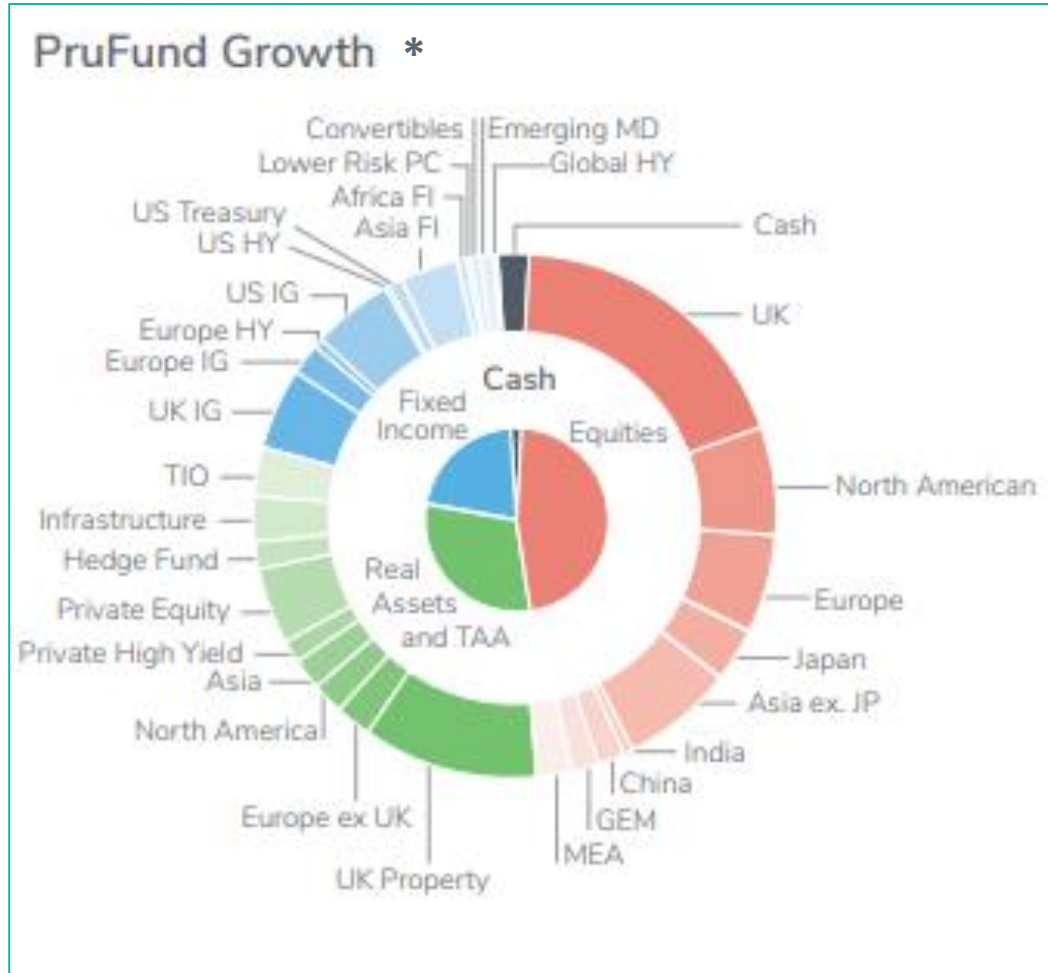
Source: Bloomberg, 31 July 2022. *10 year bonds or closest available maturity. Information is subject to change and is not a guarantee of future results.

Fixed Income yield over time

5y USD Investment Grade yield: Yield To Maturity



PruFund Growth asset allocation comparison



*Source: Pru Actuarial as at end June 2022.

**Source: M&G Treasury & Investment Office peer asset allocation data from Financial Express as at end June 2022. Data not available for two of the peers. Allocation data sourced from Financial Express data and individual fund factsheets where latest data available. Granularity of the data varies significantly between different funds and where relevant, proxies used to estimate the allocation between different geographies. Peers are made up of the top 20 funds by AUM from the IA Mixed 20-60% shares sector.

Summary: Learning Objectives



By the end of this session, you will be able to:

1.

Articulate what policy changes the new Prime Minister might introduce and the impact these could have on the outlook for the economy in the UK.

2.

Explain the outlook for capital markets and investments given the current geo-political and macro situation globally.

3.

Provide guidance on the interest rate and inflation outlook with current thinking about opportunities within Fixed Income.

Thanks for
listening

Political upheaval and
economic headwinds –
but what does it mean
for investing client
funds?

13 September 2022

For Adviser use only. Not for use with clients.