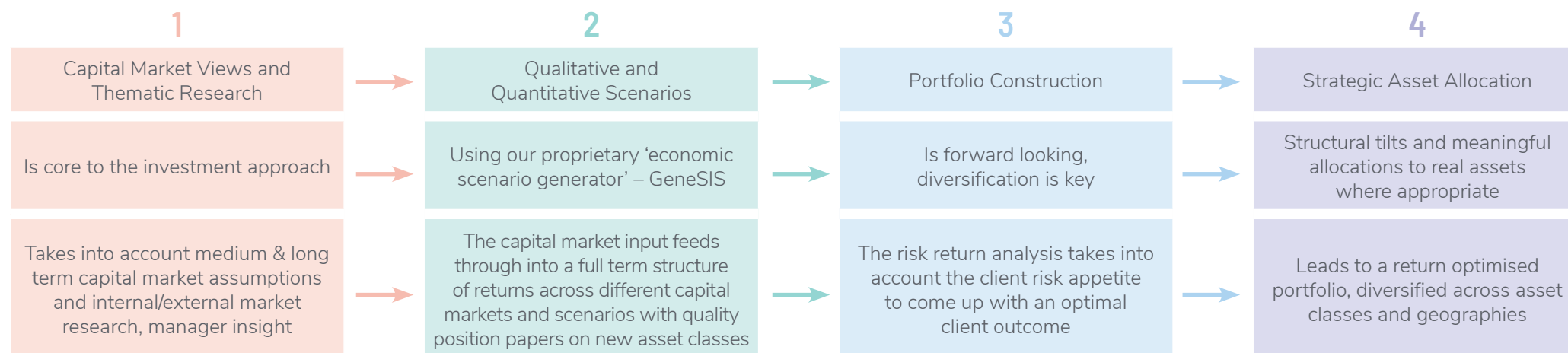


PruFund Strategic Asset Allocation Review (SAA) Process

A look under the bonnet at what happens during the annual SAA review process and the benefits this brings to PruFunds.

The M&G Treasury and Investment Office (T&IO) are the team of in-house investment strategists and 'manager of managers' for Prudential and the £61bn (as at 30 June 2023) PruFund range of multi-asset funds. Each year the T&IO Long-Term Investment Strategy team complete a strategic asset allocation review. Key to this is their own capital market assumptions for the expected returns, volatilities and correlations of the various asset classes that sit within PruFunds.

Here are the 4 key steps to the SAA review process:

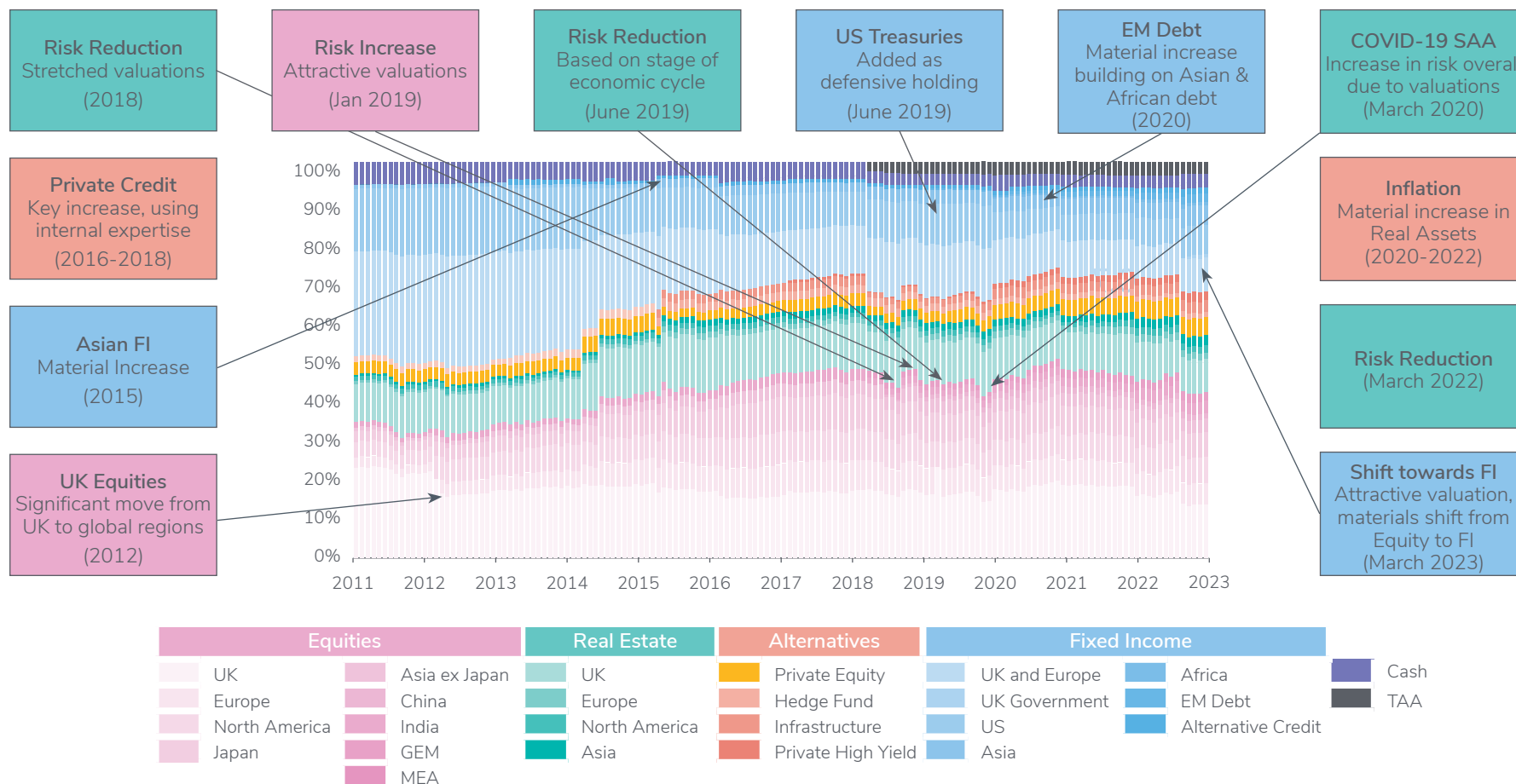


Benefits of the SAA process

- **Customer outcomes** – ensuring that expected client outcomes are mapped to the fund's objectives for optimal outcomes
- **Tailored risk appetite** – that all portfolios have a bespoke SAA that is designed for their specific needs, with any particular constraints being taken into account allowing for a range client scenarios
- **Efficient risks and returns** – for a given risk appetite, T&IO chooses an asset allocation that generates the highest return while providing stability across multiple market scenarios
- **Consistency across fund ranges** – within the stated fund objectives and risk appetite, ensuring a consistent SAA across funds with a similar risk appetite and other similar funds
- **Other constraints** – reviewing any other constraints, such as cost and liquidity so clients can invest at a competitive price

The evolution of PruFunds Strategic Asset Allocation

Take a look at how we've evolved PruFund Growth's asset allocation since 2011, using the SAA process to adapt to capital market opportunities.



Source: M&G Treasury & Investment Office Asset Allocation from 01/01/2011 to 30/06/2023 for PruFund Growth.

This content has been prepared by M&G Treasury & Investment Office (T&IO) for information purposes only and does not contain or constitute investment advice. Information provided herein has been obtained from sources that T&IO believes to be reliable and accurate at the time of issue but no representation or warranty is made as to its fairness, accuracy, or completeness. The views expressed herein are subject to change without notice. Neither T&IO, nor any of its associates, nor any director, or employee accepts any liability for any loss arising directly or indirectly from any use of this document. The value of investments and any income from them may go down as well as up and are not guaranteed. Investors may get back less than the original amount invested and past performance information is not a guide to future performance.

'M&G Treasury & Investment Office (T&IO)' includes the team formerly known as Prudential Portfolio Management Group (PPMG). Prudential Portfolio Management Group Limited, is registered in England and Wales, registered number 2448335, with Registered office at 10 Fenchurch Avenue, London EC3M 5AG.

'Prudential' is a trading name of Prudential Distribution Limited. Prudential Distribution Limited is registered in Scotland. Registered office at 5 Central Way, Kildean Business Park, Stirling FK8 1FT. Registered number SC212640. Authorised and regulated by the Financial Conduct Authority