



PruFund – Past, Present & Future Celebrating 20 years & more

Monday 25 November



This is for UK adviser use only



Session 2:

How we manage money

Adrian Gaspar, Ciaran Mulligan & Parit Jakhria

M&G Treasury & Investment Office

Heads of T&IO

Simon Iversen (CIO – Strategy & ALM) & Ciaran Mulligan (CIO – Investment Management & Oversight)

Long Term
Investment
Strategy

Multi Asset
Portfolio
Management

Liability
Driven
Portfolio
Management

Manager
Oversight

ESG &
Regulatory

Derivatives
Management
Group

Client
Portfolio
Management

Strategic
Change

Business
Management

A team of around
70 people
with broad experience and
specialist expertise



13
Strategy team responsible for
research, modelling and strategic
asset allocation



14
Portfolio managers and analysts
who ensure efficient portfolio
management



9 strong Manager Oversight
team who select and monitor
underlying asset managers



Carry out over
16,500 trades
per year



Work with and allocate
assets under management to
24 underlying asset managers



Up to
35
different asset types
can be held within PruFunds



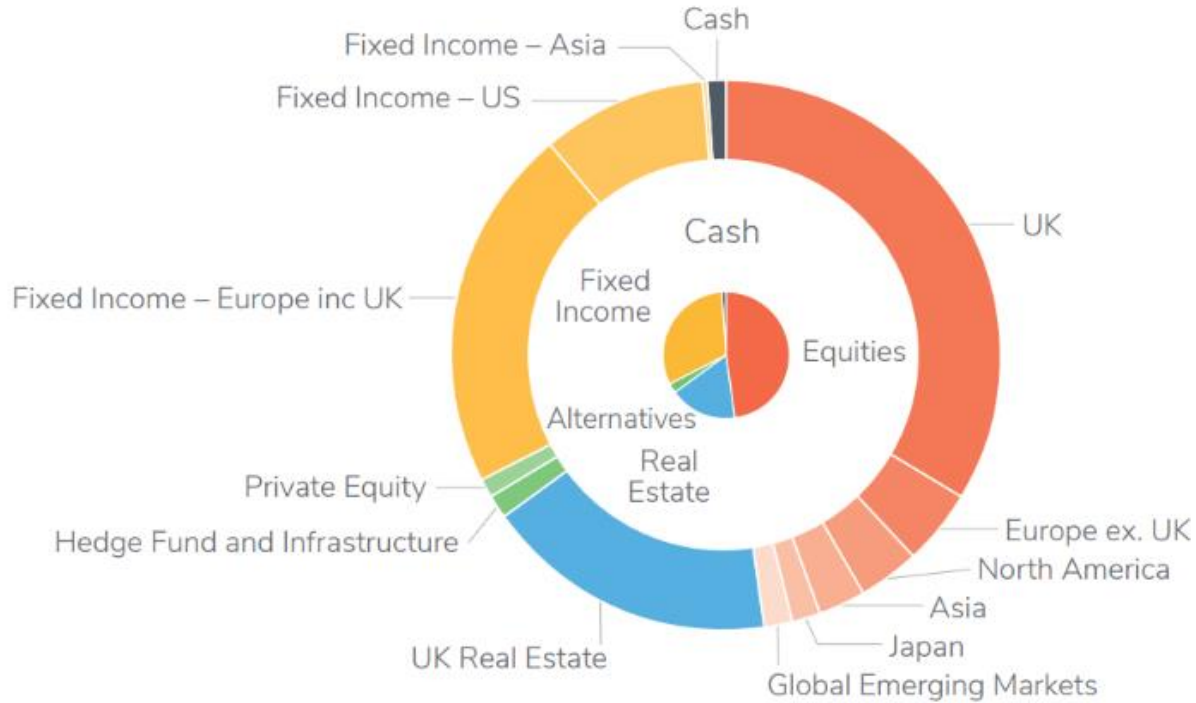
20+
Years of experience managing multi-
asset solutions



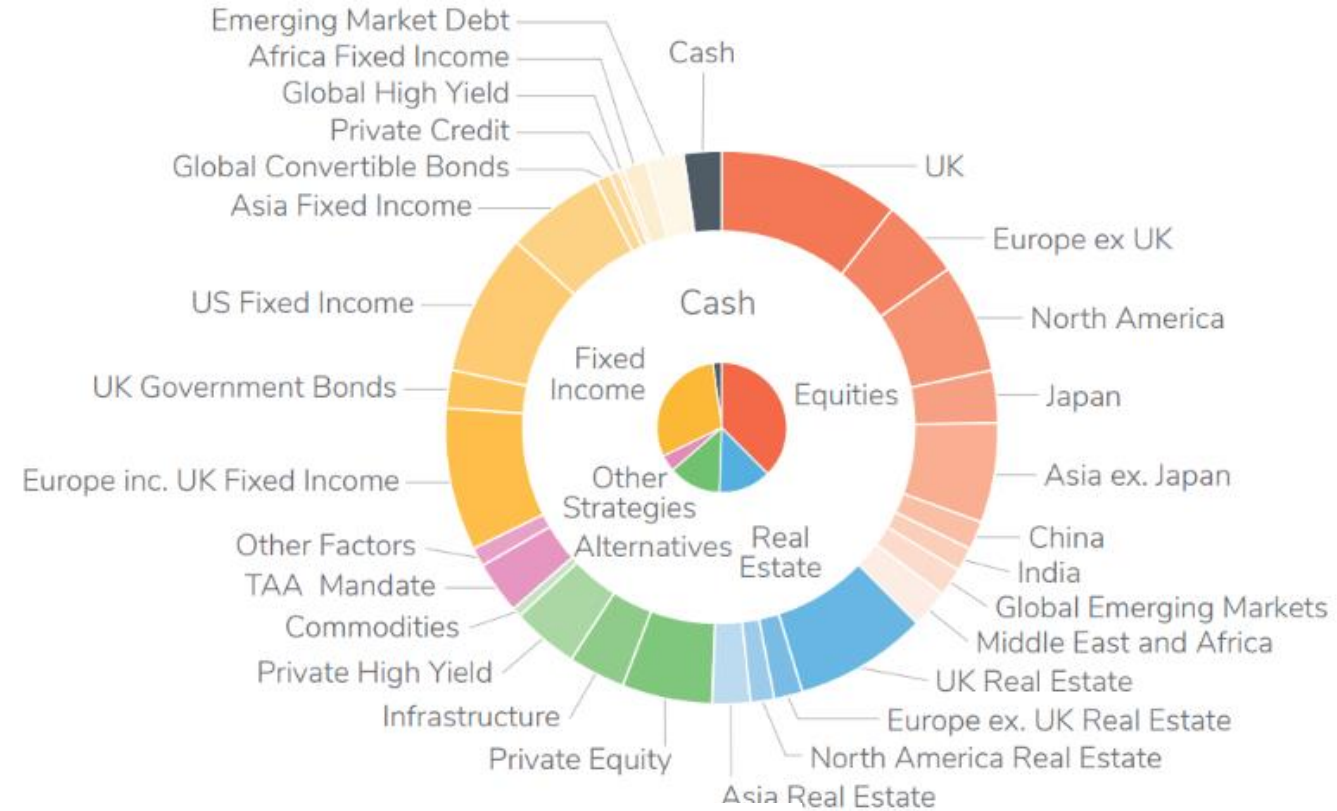
PruFund Growth a 20-year investment journey

Asset allocation at launch

Asset allocation in 2024



Source: M&G Treasury & Investment Office.
Date: as at November 2004.



Source: M&G Treasury & Investment Office.
Date: as at November 2004.

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Past performance is not a reliable indicator of future performance. The rate of growth of funds and any income from them cannot be guaranteed. The value of an investment can go down as well as up and your client could get back less than they have put in. PruFund funds aim to grow your client's money while smoothing their investment journey.

The PruFund range of funds all invest in Prudential's With-Profits Fund, which is one of the largest with-profits funds in the UK. However, there are differences across the range of PruFund funds in their objectives and mix of assets, and how PruFund delivers returns to investors when compared to other With-Profits business, which means the returns received by investors will vary by fund choice.

Prudential set Expected Growth Rates (EGR); these are the annualised rates your client's investment would normally grow at. The EGRs reflect our view of how we think each PruFund fund will perform over the long-term (up to 15 years). Each PruFund fund has its own EGR and your client's investments into a PruFund will normally grow daily by the relevant EGR. Although we take a long-term view, we do review the rates every three months to allow for any changes, which may mean a change in EGR on a quarterly basis, up or down. While the EGR reflects our long term view, we need to check that the fund is performing as expected - if not we may need to make an adjustment to your client's fund value, either up or down. There are limits which set out when an adjustment would be required. The value of your client's investment in a PruFund fund is based on the Smoothed Price, this is the unit price, which grows daily by the EGR. We compare the Smoothed Price against the Unsmoothed Price – which reflects the value of underlying assets. If these move too far away from one another we need to adjust the Smoothed Price to narrow the gap. This could be a price increase or a price decrease. In certain circumstances we might need to suspend the smoothing process for one or more of the PruFund funds.

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