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Due Diligence Guide

PruFund Planet

August 2023

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.

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The PruFund range of funds are multi-asset arrangements and as such should be regarded as a medium to long term investment.

PruFund Planet funds are part of the Prudential With-Profits fund.

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Executive Summary

PruFund Planet is a range of five funds, each with their own risk profile, that seek to deliver positive environmental and social outcomes, with similar returns, cost and volatility to existing PruFund ranges. They are globally diversified across equities, fixed income, property and alternatives and predominantly invest in underlying funds that are not present in existing PruFund ranges.

We've leveraged experience across M&G in ESG research and investing, asset allocation, manager selection, portfolio management and smoothing. We use the same team and processes that back the £61bn PruFund range of funds (as at 30 June 2023). The modelling that drives the strategic asset allocation across the portfolios is proprietary and has been developed over nearly 20 years. The scale and experience within M&G Treasury and Investment Office (T&IO), the in-house team of investment experts, allows creation of bespoke funds built around ESG criteria and asset allocation.

What is PruFund Planet?

PruFund Planet is a range of five funds, each with their own risk profile, that seek to deliver positive environmental and social outcomes, with similar returns, cost and volatility to existing PruFund ranges*.

What is the target market?

For clients who want to know their savings are aiming to create positive outcomes for the environment & society, but also want a smoothed investment experience. It is expected that clients would have an investment time horizon of at least 5 to 10 years or more.

Please also view **PruFund target market information** for more details.

How do we intend to achieve this?

With the flexibility to invest across a broad spectrum of positive outcomes (i.e. responsible, sustainable and impact) and with access to a globally diverse range of private and public markets, across multiple asset classes and regions; PruFund Planet looks to manage ESG risks, pursue ESG opportunities and create high impact solutions that contribute to pressing social or environmental issues. Importantly M&G Treasury & Investment Office believe that achieving financial objectives is compatible with trying to create positive outcomes.

PruFund Planet uses and benefits from the same core foundational processes and skills that support the existing PruFund funds namely:

- An established smoothing process, Expected Growth Rates (EGRs) and Unit Price Adjustments (UPAs)*
- Strategic asset allocation (SAA) determined by the T&IO Long Term Investment Strategy Team

- Mandate design, manager selection and oversight performed by the T&IO Investment Manager Oversight Team
- Portfolio management conducted by the T&IO Multi Asset Portfolio Management Team (MAPM).

* Please note: Whilst similarities exist, there is no guarantee that Expected Growth Rates (EGRs) will be the same as existing PruFund funds nor will the frequency, depth or timing of any Unit Price Adjustments (UPAs) be the same either. PruFund Planet is aiming to generate differentiated investment outcomes to the existing PruFunds. Whilst it features a very similar asset allocation at the broad asset class level, it will predominantly invest in underlying funds that are not present in existing PruFund ranges.

Fund names

The five fund names are:

- PruFund Planet 1
- PruFund Planet 2
- PruFund Planet 3
- PruFund Planet 4
- PruFund Planet 5

PruFund Planet and our spectrum of positive outcomes

Investing has historically emphasised two ends of an investment spectrum – traditional investing to maximise profits; and philanthropy to achieve social and environmental good. PruFund Planet looks to take advantage of the investment opportunities that exist across the spectrum, to invest client money whilst aiming to create positive outcomes and competitive financial returns.

Alongside its financial objectives, the existing PruFund range is focused on responsible investing such as avoidance of harms via exclusions and mitigating ESG risks.

PruFund Planet's differentiator is that it goes further by not only integrating responsible investing, but also investing in ESG opportunities and seeking to address social and environmental challenges, often for under-served or disadvantaged groups, whilst aiming to generate competitive returns. These terms are defined in the following diagram.

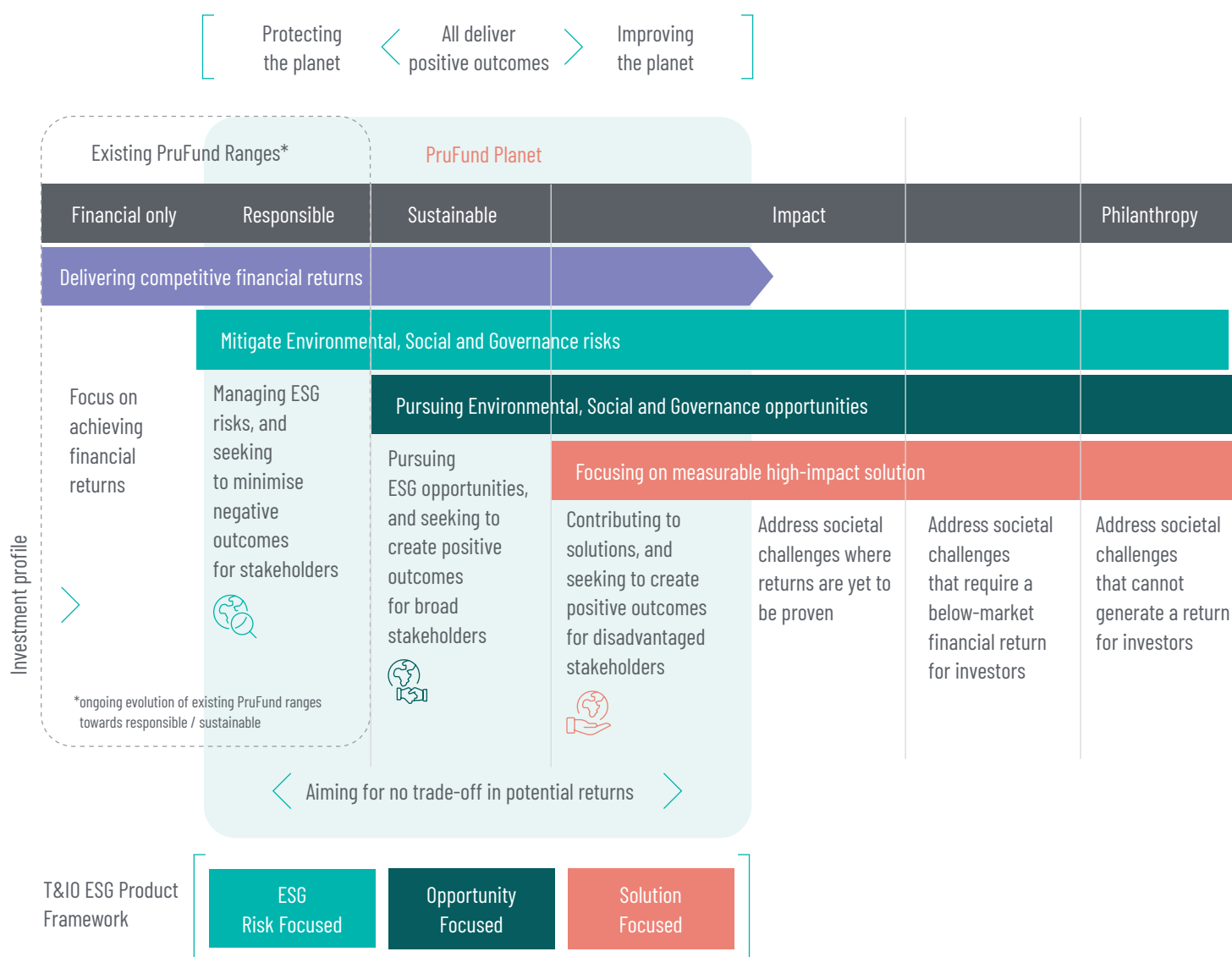


Figure 1.0 How we define the spectrum of positive outcomes

The T&IO ESG Product Framework

The T&IO ESG Product Framework has been developed to classify the underlying funds and is used as part of the investment manager selection and ongoing due diligence. Primarily informed by the Impact Management Project's (IMP)* framework as the basis of the fund categorisation methodology; investments are assessed based on the intention of each strategy relating to three types of outcome.

The three outcome categories below are not a hierarchy of 'doing good'; each contribute to a more sustainable world. They represent the increase in intent to create positive outcomes and the scope to do so for under-served or disadvantaged groups or stakeholders. The three categories are; ESG Risk-Focused, Opportunity Focused and Solution Focused, illustrated by the diagram below.

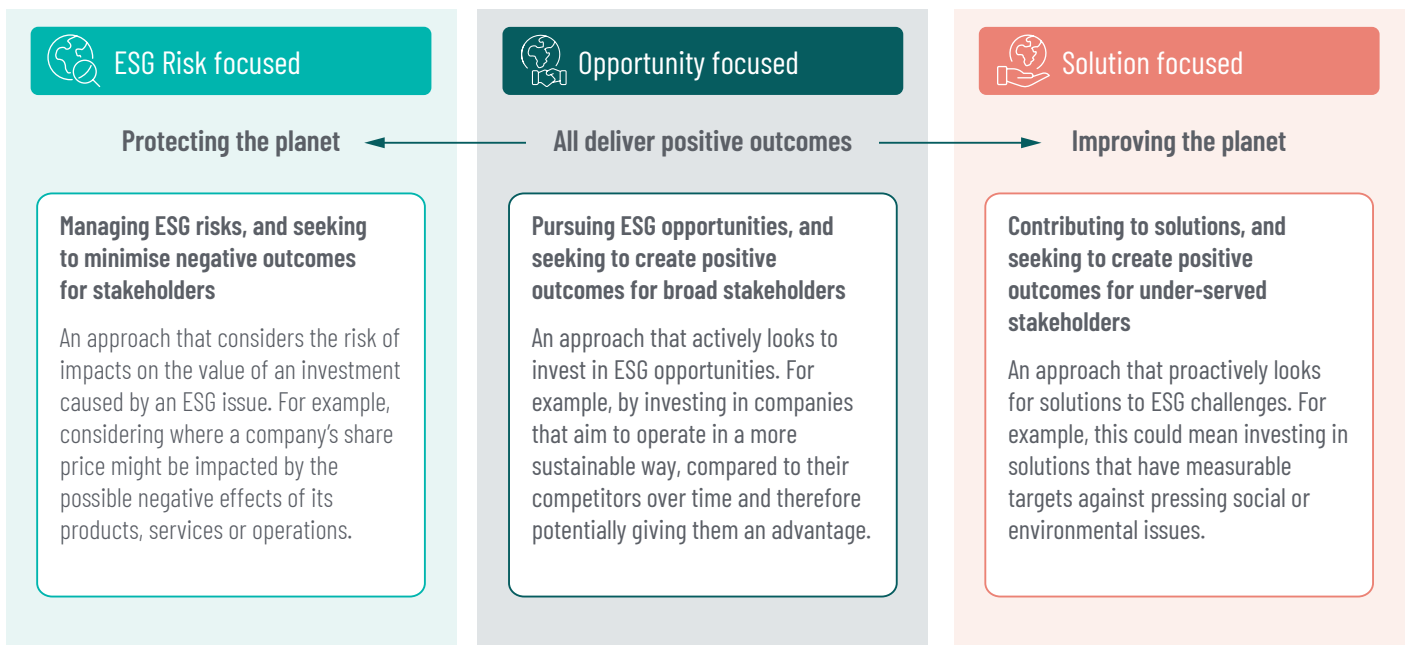


Figure 1.1: T&IO ESG Product Framework Management Project

* IMP is established as a pillar of best practice for impact management and is used across both the market and by other teams in M&G plc.

ESG Classification Approach

Top-down approach

The T&IO Investment Manager Oversight Team assess each underlying fund within the PruFund Planet range, against the ESG product framework (ESG Risk focused, Opportunity focused, Solution focused). The process for determining how underlying funds align to the three categorisations is shown in the decision tree below, which looks at how the fund manager is intending to treat ESG and Impact within their investment process.

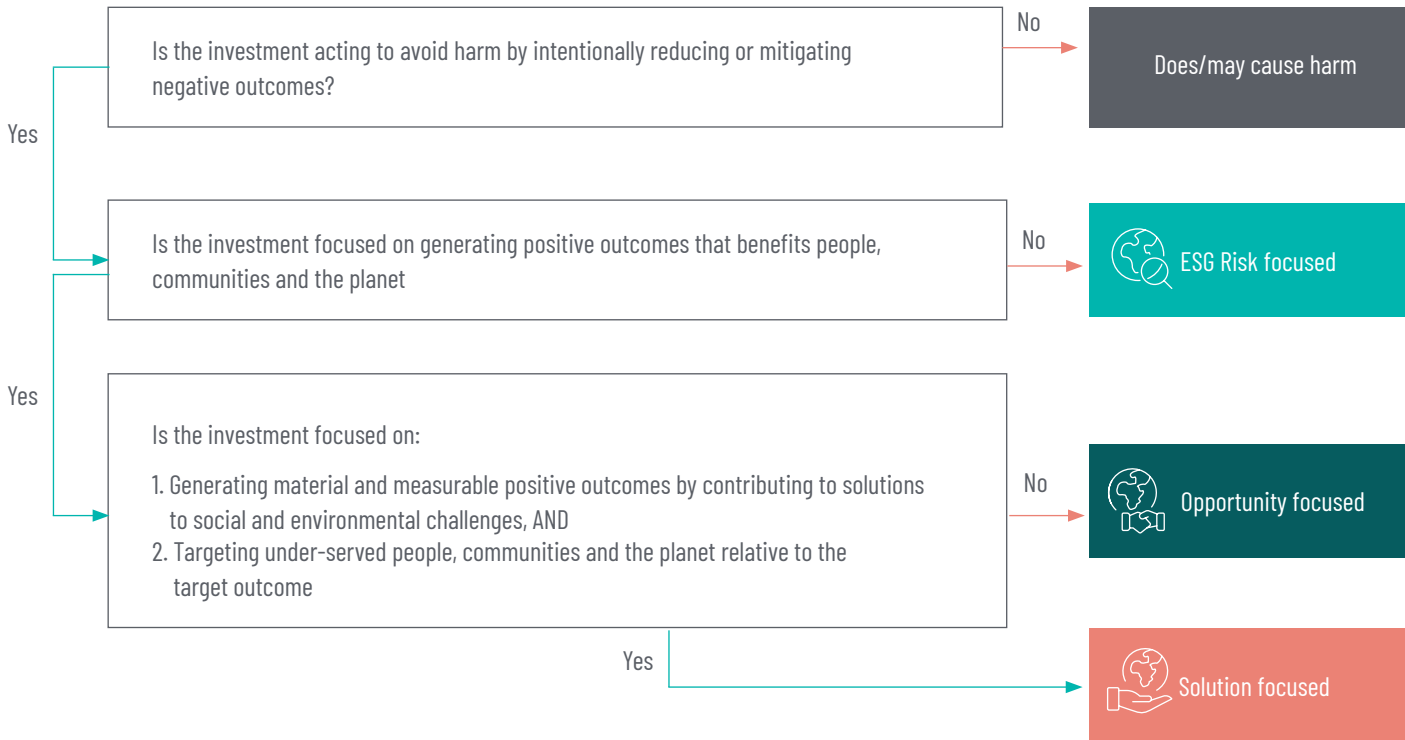


Figure 1.2 Top-down approach for determining the categorisation of an investment. Source: Impact Management Project

Bottom-up view

As part of ongoing investment due diligence, the T&IO Investment Manager Oversight Team assesses a sample of each fund manager's holdings on an annual basis. This ensures that each fund manager is held accountable to the intentionality and scope of the outcomes that their investment approach suggests.

The team use the impact dimension framework below to assess fund manager's holdings against each of the five impact dimension areas.

The IMP reached global consensus that impact can be measured across five dimensions: What, Who, How much, Contribution and Risk

Impact dimension	Impact questions each dimension seeks to answer
<div><div></div>What</div>	<ul style="list-style-type: none">• What outcome is appearing in the period?• Is the outcome positive or negative?• How important is the outcomes to the people experiencing them?
<div><div></div>Who</div>	<ul style="list-style-type: none">• Who experiences the outcome
<div><div></div>How much</div>	<ul style="list-style-type: none">• How much of the outcome is occuring – across scale, depth and duration
<div><div></div>Contribution</div>	<ul style="list-style-type: none">• Would this change likely happen anyway?
<div><div></div>Risk</div>	<ul style="list-style-type: none">• What is the risk to people and the planet that impact does not occur as expected?

Figure 1.3 Bottom-up view assessment for ongoing due diligence. Source: Impact Management Project

Underlying fund selection

The diverse range of underlying funds used within PruFund Planet all have their distinct strengths and role to play. Some strategies have been created specifically for PruFund Planet, to enable T&IO to maintain and adjust the SAA appropriately and also to meet the ESG criteria. A selection of the underlying funds are: -

BlackRock Regional ESG Optimised Equity

M&G Treasury and Investment Office (T&IO) have worked with BlackRock to create six regional building blocks which will allow them to run their regional SAA process aiming for an ESG uplift whilst seeking to reflect the risk and return characteristics of the benchmark without sacrificing financial returns. The strategy will:

- take the T&IO's parent index i.e. the index typically utilised as part of the SAA process
- apply the T&IO ESG exclusion policy
- leverage BlackRock's bespoke ESG scoring methodology.

The strategy uses BlackRock's systematic equity dedicated portfolio management team to build an optimised portfolio that provides better ESG scores while targeting only a c.1% tracking error to the parent index.

The funds therefore generate financial returns that are broadly in line with the parent index but with significant ESG enhancement. They access best-in-class systematic equity management from BlackRock and are bespoke to M&G in that they are built to our ESG policy exclusions and can be updated should there be any changes.

Core Positive Impact

The **M&G Positive Impact strategy** is a concentrated portfolio of global stocks, making long-term investments in companies that aim to generate a positive social and/or environmental impact alongside a financial return, using a disciplined stock selection process. Both sustainability and impact considerations are fundamental in determining the investment universe and assessing business models, while engagement with companies is a key element of the investment strategy.

M&G's proprietary impact investing framework, characterised by the 'triple I' approach to identifying impactful investments (Impact, Intention, Investment), helps this strategy stand out as focusing on genuine impact.

Targeted Thematic Impact

A number of high quality managers have been partnered with for their distinct expertise in delivering thematic strategies that target secular trends and add to the overall intentionality of PruFund Planet.

- **RobecoSAM Sustainable Water Fund** is grounded on the conviction that companies tilted towards structural growth trends with sustainable business practices are more successful in the long run; specifically, the strategy invests globally in companies offering products and services that address the challenges related to the quantity, quality and allocation of water.
- **RobecoSAM Gender Equality Impact Fund** is a fundamental, bottom-up and concentrated equity strategy, focused on investing in companies that are leaders in promoting gender diversity and an equitable workplace. In managing the strategy, Robeco looks beyond simply the number of women at board level to assess workplace equality, considering aspects such as equal pay practices, female representation at all levels of the organisation and employee well-being programmes.
- **Wellington Climate Strategies Fund** is a concentrated portfolio of global stocks, making long-term investments in companies that are directly addressing environmental sustainability. The Fund aims to invest in companies with at least 50% of revenues either tied to climate mitigation or adaption and it's fundamental, bottom up investment process focuses on a company's ability to deliver a 'double bottom line' by evaluating its environmental stewardship (sustainability return) and its capital stewardship (investment return).
- **Pictet Global Environmental Opportunities Fund** focuses on identifying innovative and disruptive environmental business models, with the belief that over the long-term, companies with the strongest environmental credentials that also provide solutions to help reverse ecological damage and increase resource efficiency will be most successful.

- **M&G Better Health Solutions Fund** is a concentrated portfolio of global stocks, making long-term investments in companies that deliver solutions that save lives or positively impact the health and well-being of society alongside a financial return, using a disciplined stock selection process. The strategy has a holistic interpretation of 'better health', seeking to invest in solutions across a number of industries and sectors and not just restricted to healthcare.

Property

- The **M&G European Property (MEP)**, **M&G Asian Property (MAP)** and **M&G Prudential Real Estate Limited Partnership (PRELP)**, are core property exposures that invest in direct property to form an actively managed portfolio of well-diversified real estate assets with attractive income yields, across the UK, Europe and mature Asia Pacific markets respectively

When investing in Commercial Property, M&G Real Estate takes a long-term, active and responsible approach.

The key drivers within the ESG strategy for property is to deliver environmental excellence through meeting net zero carbon targets, driving environmental improvements and independently certifying performance of assets with the aim of future-proofing the portfolio. It aims to provide social benefit by enabling the assets to deliver positive social outcomes for occupiers, local communities and wider society. Finally, the managers seek to ensure good governance and accountability through the robust implementation of the strategy and through transparent reporting of performance and progress against targets.

- The UK exposure of PRELP is complemented by **M&G's Residential and Shared Ownership funds**, which help people such as those on lower incomes and vital key workers gain access to the housing market, thereby directly helping fulfil a social need.
- In the US the **Morgan Stanley Prime Property Fund** is used, which is a large core-balanced collective fund with diversification across the all major real estate sectors, including: offices, retail and industrials (including self-storage), residential (apartments and student housing), and healthcare.

As an illiquid asset class, getting access to physical property is not always immediately possible. Whilst T&IO look to deploy into the preferred physical property funds (above), they'll ensure that the asset class remains in line with the SAA by investing in suitable liquid opportunities that will provide a similar exposure in the meantime.

M&G Alternatives

The Alternatives allocation within the portfolio aims to channel capital into sustainable businesses that actively contribute to solutions for global challenges facing the planet and population, whilst aiming to achieve attractive financial returns.

These are bespoke mandates that are specifically for PruFund Planet, incorporating private equity and real assets, managed by M&G's private assets franchise. Both strategies leverage the strength of the M&G Alternatives platform, in order to create positive change through under-served channels. The focus of these bespoke mandates is on decarbonisation and the energy transition, custodianship of scarce resources, and innovation aiming to reduce inequality. The nature of private markets means investments can be highly targeted to these purposes. A key tenet of this approach is engagement, improvement and aligning capital to the advancement in achieving the UN SDGs.

As T&IO continue to deploy in illiquid alternatives over time they'll ensure that the asset class remains in line with the SAA by investing in suitable liquid opportunities that are already held within PruFund. These are;

- **M&G Prudential Real Estate Limited Partnership (PRELP)**, a diversified portfolio of commercial property which provides real assets characteristics such as dampening portfolio volatility and holds a Green Star from the Global Real Estate Sustainability Benchmark (GRESB).
- **responsAbility** are an emerging market specialist who aim to generate positive impact through private asset investments across their target regions. The sustainable food portfolios invest in fast growing companies in the agriculture value chains, as well as providing financing to medium-sized companies operating in the production and distribution of fresh fruits and vegetables across

emerging markets. The responsibility team look to source deals through their deep networks in target regions, to make investments that promote sustainable agriculture practices and healthy food, whilst delivering attractive financial returns.

Sustainable Tactical Asset Allocation (TAA)

Managed by the M&G Multi Asset Investment Business Team, the discretionary macro strategy aims to achieve cash-plus returns through tactical asset allocation with an additional focus on ESG and sustainability. This will be implemented via a basket of ESG friendly stocks which will mirror the broader market indices, effectively “tilting” the strategic asset allocation towards either fixed income or equity (or cash) depending on a shorter-term view of global markets.

Fixed Income

- The **M&G Sustainable High Yield Bond Fund**, **M&G Sustainable Emerging Markets Corporate Bond Fund** and **M&G Sustainable Loan Fund** go beyond exclusions-based investing; negative screens are applied to remove companies involved in ethically questionable

industries and positive screens are applied to ensure the selection of high ranking ESG securities.

- **M&G Catalyst** proposition seeks to create a positive impact for people, communities and the planet, alongside aiming to achieve attractive financial returns. Catalyst has a particular focus on investing in businesses or platforms that help communities which are under-served by traditional sources of capital.
- **M&G Impact Financing Fund (IFF)** invests in private or illiquid fixed income assets that offer positive environmental or social returns as well as financial returns to investors. IFF will provide investors with the opportunity to invest in projects and companies that make a positive contribution to creating sustainable, resilient and inclusive economies and societies.
- **Columbia Threadneedle UK Social Bond Fund** looks to invest in bonds deemed to be supporting and funding solutions to social issues across the UK; this includes housing, education, financial inclusion and health & social care. Impact is created in a targeted way by focusing on the use of loan proceeds and following this



through to measurable outcomes, as well as actively influencing social bond issuance in the market.

Columbia Threadneedle has partnered with the Big Issue Group (BIG) to develop the Fund's Social Assessment Methodology and Social Advisory Committee; this provides valuable insight and input into the investment process and helps the team to further their social agenda. A portion of the fee paid for the fund is given to the Big Issue to contribute towards projects creating a positive difference in society.

- The **Wellington Impact Bond Fund** is driven by fundamental research, this strategy seeks to outperform global fixed income markets by investing in the debt of companies, governments and organisations whose core businesses aim to address some of the world's major social and environmental challenges. The team believes that there is no systematic screening process that can reliably capture impact issuers, and therefore rely on their bottom-up process to identify opportunities meeting their high standards of materiality, additionality and measurability.

A bespoke version of this existing strategy has been built specifically for PruFund Planet, taking into account the required SAA and ESG exclusions.

- The **Eastspring Asia Sustainable Bond Fund** is supported by bottom-up credit selection, the strategy seeks to invest in a range of Asian governments, corporates and supranationals that are well positioned to take advantage of ESG opportunities, whilst minimising ESG risks. In particular, the team evaluates the issuer's preparedness to deal with the ESG risks they face; this includes a range of key topics such as shifts to renewable energy, diversity policies and anti-corruption and bribery policies.

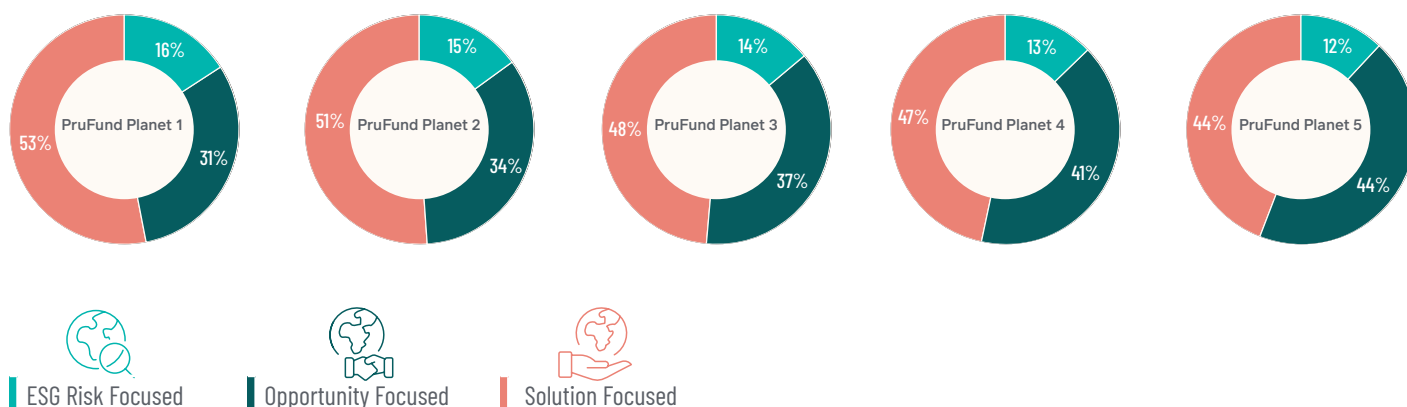
Cash

The **M&G ESG Aware Money Market Cash** mandate seeks to preserve capital, provide access to liquidity and yield in line with money market rates, while also delivering on environmental and social benefits. All instruments must meet the criteria of a list of exclusions in line with the M&G Investments and T&IO ESG frameworks, as well as aiming to outperform other comparable assets in ESG terms based on the ESG credentials of the issuer or the guarantor.






Underlying fund alignment

Each of the underlying funds has been assessed against the three outcome categories, resulting in the following outcome profiles for each of the PruFund Planet funds:-



The following table shows which of the three categories each individual fund aligns to:-

Asset type	Underlying funds			
Equity	BlackRock ESG Regional Total Allocation			
	UK		✓	
	North America		✓	
	Europe ex UK		✓	
	Japan		✓	
	Asia ex Japan		✓	
	Global Emerging Markets		✓	
	M&G Positive Impact			✓
	Targeted Thematic Equities Total Allocation			
	M&G Better Health			✓
	Wellington Climate Strategies			✓
	Pictet Global Environmental Opportunities			✓
	RobecoSAM Sustainable Water			✓
	RobecoSAM Gender Equality Impact			✓

Asset type	Underlying funds			
Property	M&G Prudential Real Estate Limited Partnership (UK)	✓		
	M&G European Property	✓		
	M&G Asian Property	✓		
	M&G Residential (UK)		✓	
	M&G Shared Ownership (UK)			✓
	Morgan Stanley Prime Property Fund (US)	✓		
Alternatives	M&G Alternatives (Private equity, Real Assets)	✓	✓	
	responsAbility Sustainable Food LATAM I			✓
	responsAbility Sustainable Food Asia II			✓
TAA	M&G Multi Asset Sustainable Allocation		✓	
Fixed Income	M&G Sustainable Global High Yield		✓	
	M&G Sustainable Loan		✓	
	Core Public Credit Total Allocation			
	Wellington Impact Bond			✓
	M&G Sustainable Emerging Markets Credit		✓	
	Eastspring Sustainable Asia Bonds		✓	
	Columbia Threadneedle UK Social Bond			✓
	Private Credit Total Allocation			
	M&G Catalyst			✓
	M&G Impact Financing			✓
Cash	M&G Cash	✓		

Exclusions



PruFund Planet applies ESG restrictions based on the individual policies of the fund managers employed for each strategy, which are aligned in principle with T&IO's ESG Policy. Where T&IO have investment control over the vehicle (i.e. it's not a commingled fund containing other investors), PruFund Planet will also apply the T&IO ESG Policy exclusions for further alignment. For more details about T&IO's ESG policy see the Appendix 3.

The following table indicates which elements of these policies apply to each underlying fund.

Asset type	Underlying funds	T&IO ESG policy	M&G Investments ESG policy	External Fund Manager ESG Policy
Equity	BlackRock ESG Regional Total Allocation			
	UK	✓	✓	
	North America	✓	✓	
	Europe ex UK	✓	✓	
	Japan	✓	✓	
	Asia ex Japan	✓	✓	
	Global Emerging Markets	✓	✓	
	M&G Positive Impact		✓	
	Targeted Thematic Equities Total Allocation			
	M&G Better Health		✓	
	Wellington Climate Strategies			✓
	Pictet Global Environmental Opportunities			✓
	RobecoSAM Sustainable Water			✓
	RobecoSAM Gender Equality Impact			✓
Property	M&G Prudential Real Estate Limited Partnership		✓ (bespoke)	
	M&G European Property		✓ (bespoke)	
	M&G Asian Property		✓ (bespoke)	
	M&G Residential (UK)		✓ (bespoke)	
	M&G Shared Ownership (UK)		✓ (bespoke)	
	Morgan Stanley Prime Property Fund (US)			✓

Asset type	Underlying funds	T&IO ESG policy	M&G Investments ESG policy	External Fund Manager ESG Policy
Alternatives	M&G Alternatives (Private equity, Real Assets)	✓	✓	
	responsAbility Sustainable Food LATAM I			✓
	responsAbility Sustainable Food Asia II			✓
TAA	M&G Multi Asset Sustainable Allocation		✓	
Fixed Income	M&G ESG Global High Yield		✓	
	M&G ESG Emerging Market Credit		✓	
	M&G Sustainable Loan		✓	
	Core Public Credit Total Allocation			
	Wellington Global Impact Bond	✓	✓	
	Eastspring Sustainable Asia Bonds			✓
	Columbia Threadneedle UK Social Bond			✓
	Private Credit Total Allocation			
	M&G Catalyst	✓	✓	
	M&G Impact Financing		✓	
Cash	M&G Cash	✓	✓	

The exclusion sectors covered by the policies (outlined in the previous table) can be detailed as follows.

		Exclusion Sectors					
Asset type	Underlying funds						
Equity	BlackRock ESG Regional Total Allocation						
	UK	✓	✓	✓	✓	✓	✓
	North America	✓	✓	✓	✓	✓	✓
	Europe ex UK	✓	✓	✓	✓	✓	✓
	Japan	✓	✓	✓	✓	✓	✓
	Asia ex Japan	✓	✓	✓	✓	✓	✓
	Global Emerging Markets	✓	✓	✓	✓	✓	✓
	M&G Positive Impact	✓	✓	✓	✓	✓	✓
	Targeted Thematic Equities Total Allocation						
	M&G Better Health Solutions	✓	✓	✓	✓	✓	✓
	Wellington Climate Strategies	✓		✓	✓		
	Pictet Global Environmental Opportunities	✓	✓	✓	✓	✓	✓
	RobecoSAM Sustainable Water	✓	✓	✓	✓	✓	✓
	RobecoSAM Gender Equality Impact	✓	✓	✓	✓	✓	✓
Property	M&G Prudential Real Estate Limited Partnership			✓			
	M&G European Property			✓			
	M&G Asian Property			✓			
	M&G Residential (UK)			✓			
	M&G Shared Ownership (UK)			✓			
	Morgan Stanley Prime Property Fund (US)						



Coal



Controversial weapons



Adult entertainment



Global norms violators









Tobacco



Gambling

The exclusion sectors covered by the policies (outlined in the previous table) can be detailed as follows.

		Exclusion Sectors					
Asset type	Underlying funds						
Alternatives	M&G Alternatives (Private equity, Real Assets)	✓	✓	✓	✓	✓	✓
	responsAbility Sustainable Food LATAM I		✓	✓	✓		✓
	responsAbility Sustainable Food Asia II		✓	✓	✓		✓
TAA	M&G Multi Asset Sustainable Allocation	✓	✓	✓	✓	✓	✓
Fixed Income	M&G Sustainable Global High Yield	✓	✓	✓	✓	✓	✓
	M&G Sustainable Emerging Markets Credit	✓	✓	✓	✓	✓	✓
	M&G Sustainable Loan	✓	✓	✓	✓	✓	✓
	Core Public Credit Total Allocation						
	Wellington Global Impact Bond	✓	✓	✓	✓	✓	✓
	Eastspring Sustainable Asia Bonds	✓	✓	✓	✓		
	Columbia Threadneedle UK Social Bond	✓	✓	✓	✓	✓	✓
	Private Credit Total Allocation						
	M&G Catalyst	✓	✓	✓	✓	✓	✓
	M&G Impact Financing	✓	✓	✓	✓	✓	✓
Cash	M&G Cash	✓	✓	✓	✓	✓	✓



Coal



Controversial weapons



Adult entertainment



Global norms violators



Tobacco



Gambling

It is important to note that whilst some funds may not have explicit restrictions, by virtue of their investment strategy they are unlikely to invest in these sectors. This does not mean that there will be zero exposure to these sectors in all cases, but rather restricted to an acceptable limit ie. revenue thresholds etc.

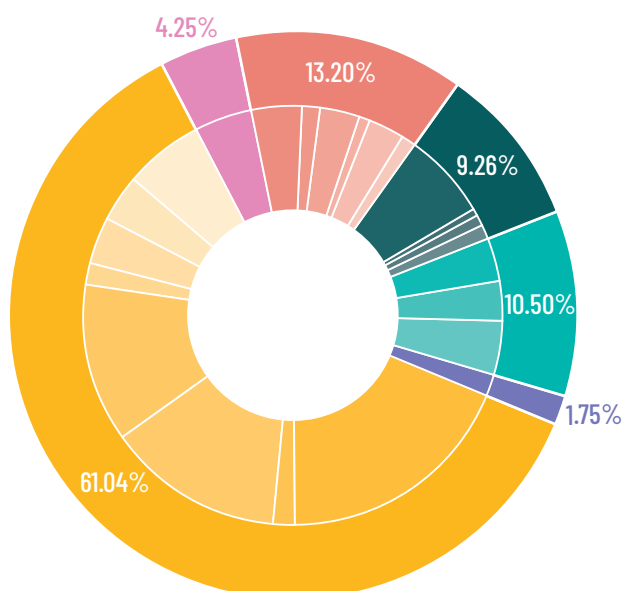
Asset Allocation

Consistent with the existing PruFund ranges, SAA continues to be performed by the T&IO Long Term Investment Strategy Team (LTIS).

Each of the five PruFund Planet funds has a distinctive asset allocation, Level 1 SAA is asset type and Level 2 SAA illustrates global diversification as shown in the following

charts. The charts give an indication of the spread of investments for PruFund Planet as at 1 August 2023. Asset allocations are regularly reviewed by the M&G Treasury and Investment Office (T&IO) and may vary from time to time but will always be consistent with the fund's objective.

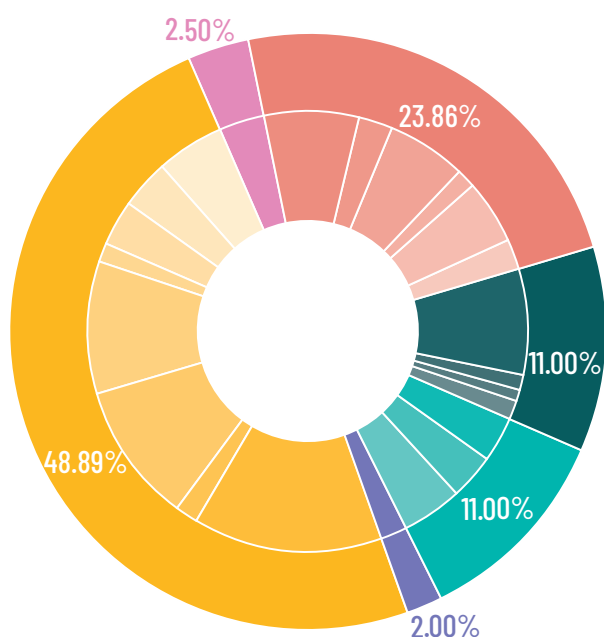
PruFund Planet 1



13.2%	Equities
3.96%	UK
1.39%	Europe ex UK
3.17%	North America
0.79%	Japan
2.64%	Asia ex Japan
1.25%	Global Emerging Markets
9.26%	Property
6.53%	UK
0.78%	Europe ex UK
0.78%	North America
1.17%	Asia

10.50%	Alternatives
3.15%	Private Equity
3.15%	Infrastructure
4.20%	Private High Yield
1.75%	Sustainable TAA
61.04%	Fixed Income
18.43%	UK and Europe
1.83%	UK Government
13.62%	US
12.21%	Asia
1.53%	Leveraged Loans
3.66%	Fixed Income Private Credit
3.66%	Global High Yield
6.10%	Emerging Market Debt
4.25%	Cash

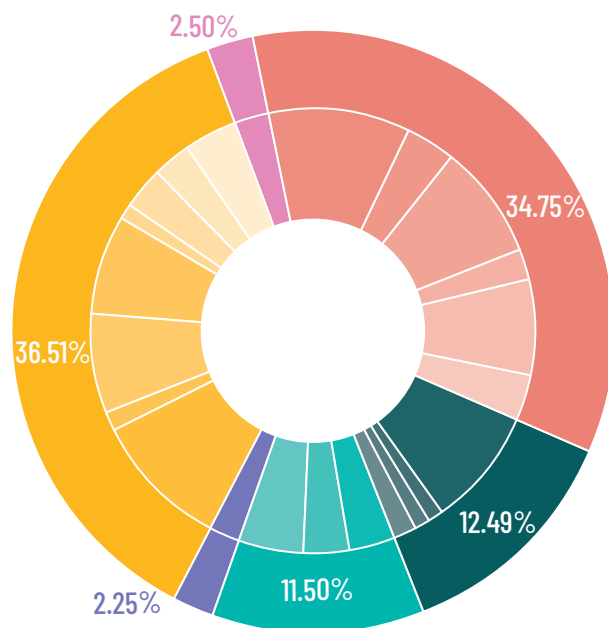
PruFund Planet 2



23.86%	Equities
7.16%	UK
2.50%	Europe ex UK
5.73%	North America
1.43%	Japan
4.77%	Asia ex Japan
2.27%	Global Emerging Markets
11.00%	Property
7.77%	UK
0.92%	Europe ex UK
0.92%	North America
1.39%	Asia

11.00%	Alternatives
3.30%	Private Equity
3.30%	Infrastructure
4.40%	Private High Yield
2.00%	Sustainable TAA
48.89%	Fixed Income
14.06%	UK and Europe
1.47%	UK Government
10.39%	US
9.78%	Asia
1.34%	Leveraged Loans
3.42%	Fixed Income Private Credit
3.42%	Global High Yield
5.01%	Emerging Market Debt
3.25%	Cash

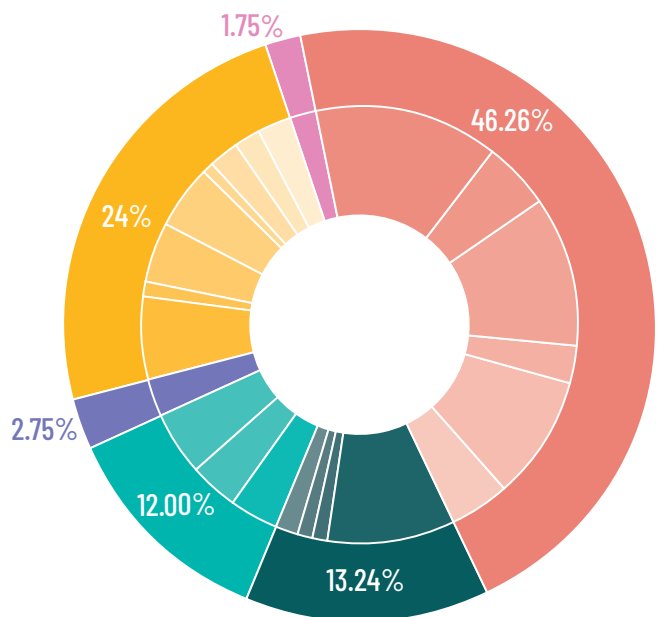
PruFund Planet 3



34.75%	Equities
10.43%	UK
3.65%	Europe ex UK
8.34%	North America
2.08%	Japan
6.95%	Asia ex Japan
3.30%	Global Emerging Markets
12.49%	Property
8.82%	UK
1.05%	Europe ex UK
1.05%	North America
1.57%	Asia

11.50%	Alternatives
3.45%	Private Equity
3.45%	Infrastructure
4.60%	Private High Yield
2.25%	Sustainable TAA
36.51%	Fixed Income
9.97%	UK & Europe
1.28%	UK Government
7.37%	US
7.30%	Asia
1.10%	Leveraged Loans
2.83%	Fixed Income Private Credit
2.83%	Global High Yield
3.83%	Emerging Market Debt
2.50%	Cash

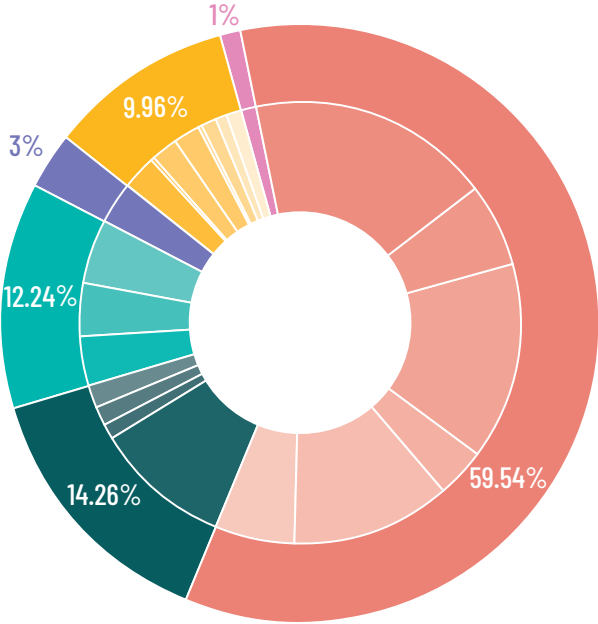
PruFund Planet 4



46.26	Equities
13.88	UK
4.86	Europe ex UK
11.10	North America
2.78	Japan
9.25	Asia ex Japan
4.39	Global Emerging Markets
13.24	Property
9.35	UK
1.11	Europe ex UK
1.11	North America
1.67	Asia

12.24	Alternatives
3.60	Private Equity
3.60	Infrastructure
4.80	Private High Yield
2.75	Sustainable TAA
24.00	Fixed Income
6.21	UK and Europe
0.96	UK Government
4.59	US
4.80	Asia
0.78	Leveraged Loans
2.04	Fixed Income Private Credit
2.04	Global High Yield
2.58	Emerging Market Debt
1.75	Cash

PruFund Planet 5



59.54%	Equities	12.24%	Alternatives
17.86%	UK	3.67%	Private Equity
6.25%	North America	3.67%	Infrastructure
14.29%	Europe ex UK	4.9%	Private High Yield
3.57%	Japan	3.00%	Sustainable TAA
11.91%	Asia ex Japan	9.96%	Fixed Income
5.66%	Global Emerging Markets	2.43%	UK and Europe
14.26%	Property	0.40%	UK Government
10.06%	UK	1.80%	US
1.2%	Europe ex UK	1.99%	Asia
1.20%	North America	0.35%	Leveraged Loans
1.20%	Asia	0.95%	Fixed Income Private Credit
		0.95%	Global High Yield
		1.09%	Emerging Market Debt
		1.00%	Cash

How do Risk Managed PruFunds and PruFund Planet funds differ?

Please note that although EGRs and UPAs can be the same, over time they can differ between PruFunds and PruFund Planet funds.

	Risk Managed PruFunds 1-5					PruFund Planet funds 1-5				
Expected Growth Rates (EGRs)	1	2	3	4	5	1	2	3	4	5
	Latest Expected Growth Rates (EGRs) and Unit Price Adjustments (UPAs)					Latest Expected Growth Rates (EGRs) and Unit Price Adjustments (UPAs)				
Smoothing process	Uses an established smoothing process					Uses an established smoothing process				
Strategic Asset Allocation Management	Long Term Investment Strategy Team					Long Term Investment Strategy Team				
Tactical Asset Allocation Management	M&G Multi-Asset Investment Business – TAA Mandate					M&G Multi-Asset Investment Business – invests directly in M&G Sustainable Multi Asset Fund. Follows a similar strategy as existing PruFunds TAA mandate, with an additional focus on ESG and sustainability.				
Manager Oversight	Investment Manager Oversight Team (IMOT)					Investment Manager Oversight Team (IMOT)				
Portfolio Management	Multi-Asset Portfolio Management Team					Multi-Asset Portfolio Management Team				
Implementation	Collectives/fund-based investments and direct investments, segregated mandates					Collectives/fund-based investments				

Exclusions	<p>Risk Managed PruFunds apply the M&G T&IO ESG Policy where possible, alongside the internal or external underlying manager's own ESG policy.</p> <p>M&G plc's company-wide exclusions on controversial weapons, coal and United Nations Global Compact violators (UNGC – which focuses on anti-corruption, human rights and labour standards).</p>	<p>PruFund Planet applies the M&G T&IO ESG Policy where possible, alongside the internal or external underlying manager's own ESG policy. Many of the internal M&G funds form part of M&G's Planet+ range of funds, which in addition to company-wide exclusions on controversial weapons, coal and United Nations Global Compact violators (UNGC – which focuses on anti-corruption, human rights and labour standards), also encompass tobacco, adult entertainment and gambling. This does not mean that there will be zero exposure to these sectors for all underlying funds, as in some instances this is restricted to revenue thresholds. It is important to note that whilst some funds may not have explicit restrictions, by virtue of their investment strategy they are unlikely to invest in names in the previously mentioned sectors.</p>
T&IO ESG Product Framework	<p>Majority of assets within ESG Risk Focused category, mainly focused on responsible investing i.e., avoidance of harms via exclusions and mitigating ESG risks.</p> <p>(With some scope to include Opportunity or Solution Focused investments where appropriate)</p>	<p>Majority of assets within ESG Opportunity or Solution Focused investments – investing in ESG opportunities and seeking to address social and environmental challenges, often for under-served or disadvantaged groups, that aim to generate competitive financial returns.</p>
Volatility Ceilings	<p>Risk Managed PruFund 1 – 9%</p> <p>Risk Managed PruFund 2 – 10%</p> <p>Risk Managed PruFund 3 – 12%</p> <p>Risk Managed PruFund 4 – 14.5%</p> <p>Risk Managed PruFund 5 – 17%</p>	<p>PruFund Planet 1 – 9%</p> <p>PruFund Planet 2 – 10%</p> <p>PruFund Planet 3 – 12%</p> <p>PruFund Planet 4 – 14.5%</p> <p>PruFund Planet 5 – 17%</p>
Number of Portfolios	5	5

Cost and Charges

For information about costs and charges please take a look at relevant Fact sheets, Fund guides and where applicable Key Information Documents.



The Investment Process

M&G Treasury and Investment Office (T&IO)

The M&G Treasury and Investment Office is the team of in-house investment strategists and 'manager of managers' for Prudential in the UK. They are independent of the various underlying asset management businesses within M&G plc and responsible for approximately £150bn of assets as at 30 June 2023, across a range of multi-asset investment solutions and other Prudential products.

Several teams within T&IO feed into the investment process at each stage. They carry out clearly defined roles whilst also working very closely together to ensure the smooth running of the portfolios.

- Long Term Investment Strategy (LTIS)
- Multi Asset Portfolio Management (MAPM)
- Manager Oversight
- Risk and Compliance

The investment process can be broken down into three areas:

- Strategic asset allocation
- Fund selection and manager oversight
- Portfolio management

Strategic Asset Allocation (SAA)

The LTIS team sets the risk tolerance and asset allocation for the funds determining the optimal SAA, subject to relevant cost constraints, structural and regulatory considerations.

The team produce a set of Capital Market Assumptions (CMAs), based on historical data, ex-ante analysis, internal and external research, for the expected returns, volatilities and correlations of the various asset classes within the fund ranges.

LTIS then use a proprietary Economic Scenario Generator 'GeneSIS' to carry out stochastic modelling based on these assumptions, which involves mapping out a full range of possible future asset allocations.

Both ESG and non-ESG factors are fed into the CMAs and asset class risk/return profiles, which are in turn factored into how capital is allocated.

The SAAs are determined using the following principles:

- Customer outcomes: focus on customer outcomes and ensure that there's a design framework that maps the expected customer outcomes to the fund objectives in an efficient manner.
- Tailored risk appetite: all client portfolios have specific outcomes. This means that all portfolios have a bespoke SAA that is designed for their needs.
- Efficient risks and returns: a given risk appetite enables T&IO to choose an asset allocation based on the analysis of the risk return trade-off of portfolios relative to the "efficient frontier" derived from the medium-to-longer-term views of returns, volatility and correlations.
- Consistency across fund ranges: within the stated objectives and risk appetite, the aim is to ensure a consistent SAA across funds with similar risk appetite/ other similar funds.
- Other constraints: the investment strategy is also optimised along other constraints as required by clients. For example, cost and liquidity.
- ESG factors are also integrated into the SAA process through three main channels. These are:
 - Sensitivity analysis – portfolio exposures to ESG factors assessed in terms of physical, transition and litigation risks
 - Country Risk Categorisation – framework extended in 2019 to add environmental factors alongside existing social and governance factors
 - Benchmark construction – analysis to understand the distribution of ESG factor exposures within benchmarks

Fund Selection and Manager Oversight

The T&IO Manager Oversight Team has created a rigorous set of procedures to underpin the selection, ongoing monitoring and management of the various underlying investments.

Funds throughout the portfolios have been selected on the basis of a robust due diligence process that combines quantitative factors, including measures of performance and holdings analysis, with qualitative analysis focused on the business, people, process, philosophy and infrastructure. Their initial and ongoing due diligence processes also incorporate assessment and challenge of manager's ESG investment policies and practices and ambitions. This ensures that the managers awarded mandates are aligned with T&IO values and ambitions.

The team also monitors the suitability of all underlying fund managers through a robust process of formal regular reviews.

The investment philosophy and process applied can provide several advantages:

- Analysis of key risks within each underlying fund – single stock, sector and country exposures – helps the team understand drivers and detractors of performance at any given time.
- Accessibility and greater transparency – provides greater depth of research.
- Greater control over portfolio construction in some cases, exemplified by the bespoke vehicles that BlackRock and Wellington have built for PruFund Planet, which align to T&IO's preferred SAA and ESG criteria.
- Closer view of markets through constant interaction – better information flow from managers that can assist short and long-term thinking.
- Can be selective – T&IO assess both internal and external strategies and has selected a number of high quality external managers for specialist allocations within PruFund Planet, for example in both equity and fixed income exposures. T&IO have also worked with the internal manager to create bespoke solutions such as M&G Better Health Solutions.

Portfolio Management

Portfolio management responsibilities can be divided into the following areas:

- Keeping the funds in shape – ensure the portfolios are managed in line with target exposures and limits while minimising cost and risk, adhere to agreed target TAA positions, and manage cash-flows and other fund dynamics
- Adjusting portfolios – ensure changes in SAA are implemented effectively and efficiently
- Operational management – prepare and review trade instructions to minimise operational errors
- Reviews and monitoring – review on an ongoing basis exposures, risks and performance
- Cash flow management – manage and report to ensure that inflows are allocated appropriately across portfolios and outflows can be covered in stressed scenarios.

Risk and Compliance

The business operates within a 'three lines of defence' risk management model. Its role and purpose is to challenge risks effectively and proactively add value through providing advice, oversight and guidance to support the delivery of customers' long-term needs.

First line of defence (Portfolio and risk management)

- Identifies risks that could threaten the achievement of business objectives.
- Assesses and manages these risks in accordance with M&G's policies, standards and risk appetite.
- Ensures the effective design and maintenance of processes together with the implementation of appropriate controls over these processes.
- Identifies and promptly escalates significant emerging risk issues.
- Reports operational incidents in line with the operational risk standards.

Second line of defence (Risk and Compliance oversight and challenge)

- Assists the Board with the formulation and subsequent communication of M&G's appetite for risk, risk management plans, risk policies and limits.
- Oversees and objectively challenges the identification, measurement, management, monitoring and reporting of risks.
- Analyses risk information and producing risk reports for relevant risk committees.
- Develops and supports the implementation of M&G's risk policies, standards and risk appetite.

Third line of defence (Audit and independent assurance)

- Provides independent assurance on the design, effectiveness and implementation of the overall system of internal control, including risk management.

Why consider PruFund Planet from Prudential?

- **Scale** – Prudential is part of M&G plc, one of the UK's leading savings and investment companies, with around £330bn assets under management as at 30 June 2023. We aim to leverage the knowledge, experience and buying power of M&G plc to deliver good outcomes for clients.
- **Size** – PruFund Planet funds are part of the Prudential With-Profits fund, one of the UK's largest investment funds.
- **Investment expertise and resource** – Access to the M&G Treasury and Investment Office, an independent team of around 60 strong, with expertise in asset allocation, portfolio management, manager research and investment risk oversight. T&IO creates SAA for over £100bn in multi-asset insurance portfolios primarily for UK retail investors and manages around £150bn of assets as at 30 June 2023.
- **Differentiated** – The core focus of T&IO is asset allocation. All stock selection decisions are outsourced to high class internal and external managers
- **A strong focus on Environmental, Social and Governance (ESG) investing** – M&G plc aims to put sustainability and inclusivity at its heart, with planet centric investing becoming part of its DNA and considered when designing investment solutions.

M&G plc has committed that its With-Profits fund is to allocate up to £5 billion into privately-owned enterprises working to create a more sustainable world.
- **Global reach** – T&IO has access to the expertise of other M&G plc investment companies, such as M&G Investments and M&G Real Estate, and a global network of contacts at high quality external investment companies with experience in ESG.
- **Operational infrastructure** – Investment teams are supported by experienced information, compliance and risk monitoring teams
- **Longevity of process** – The strategic asset allocation process developed by T&IO has been in place for nearly 20 years.
- **Robust fund research and oversight** – PruFund funds leverage off the resource and expertise of the T&IO Manager Oversight team. M&G plc's scale provides access to all aspects of a fund manager's business. With more information, the team are better able to evaluate if what fund managers say is really what they do.

Appendix

Appendix 1 Fund Objectives

Fund name	Investment Objective
PruFund Planet 1	<p>The fund aims to achieve a total return from income and capital over the long term (at least 5-10 years). It also aims to deliver positive environmental and social outcomes in addition to financial returns. There are three categories of outcome;</p> <ol style="list-style-type: none">1. Mitigating Environmental, Social and Governance risks and minimising negative outcomes2. Pursuing Environmental, Social and Governance opportunities3. Investing in positive outcomes for disadvantaged groups or stakeholders. <p>PruFund Planet funds are invested in a range of equities, bonds, property, alternative investments and cash. This gives you the advantage of a well-balanced mix of investments with some smoothing of investment returns.</p> <p>The fund aims to limit the fluctuations (volatility) your investment experiences, after allowing for smoothing, to 9% per annum. There is no guarantee the fund will achieve its objective of managing the volatility to the target level.</p>
PruFund Planet 2	<p>The fund aims to achieve a total return from income and capital over the long term (at least 5-10 years). It also aims to deliver positive environmental and social outcomes in addition to financial returns. There are three categories of outcome;</p> <ol style="list-style-type: none">1. Mitigating Environmental, Social and Governance risks and minimising negative outcomes2. Pursuing Environmental, Social and Governance opportunities3. Investing in positive outcomes for disadvantaged groups or stakeholders. <p>PruFund Planet funds are invested in a range of equities, bonds, property, alternative investments and cash. This gives you the advantage of a well-balanced mix of investments with some smoothing of investment returns.</p> <p>The fund aims to limit the fluctuations (volatility) your investment experiences, after allowing for smoothing, to 10% per annum. There is no guarantee the fund will achieve its objective of managing the volatility to the target level.</p>

Fund name	Investment Objective
PruFund Planet 3	<p>The fund aims to achieve a total return from income and capital over the long term (at least 5-10 years). It also aims to deliver positive environmental and social outcomes in addition to financial returns. There are three categories of outcome;</p> <ol style="list-style-type: none"> 1. Mitigating Environmental, Social and Governance risks and minimising negative outcomes 2. Pursuing Environmental, Social and Governance opportunities 3. Investing in positive outcomes for disadvantaged groups or stakeholders. <p>PruFund Planet funds are invested in a range of equities, bonds, property, alternative investments and cash. This gives you the advantage of a well-balanced mix of investments with some smoothing of investment returns.</p> <p>The fund aims to limit the fluctuations (volatility) your investment experiences, after allowing for smoothing, to 12% per annum. There is no guarantee the fund will achieve its objective of managing the volatility to the target level.</p>
PruFund Planet 4	<p>The fund aims to achieve a total return from income and capital over the long term (at least 5-10 years). It also aims to deliver positive environmental and social outcomes in addition to financial returns. There are three categories of outcome;</p> <ol style="list-style-type: none"> 1. Mitigating Environmental, Social and Governance risks and minimising negative outcomes 2. Pursuing Environmental, Social and Governance opportunities 3. Investing in positive outcomes for disadvantaged groups or stakeholders. <p>PruFund Planet funds are invested in a range of equities, bonds, property, alternative investments and cash. This gives you the advantage of a well-balanced mix of investments with some smoothing of investment returns.</p> <p>The fund aims to limit the fluctuations (volatility) your investment experiences, after allowing for smoothing, to 14.5% per annum. There is no guarantee the fund will achieve its objective of managing the volatility to the target level.</p>
PruFund Planet 5	<p>The fund aims to achieve a total return from income and capital over the long term (at least 5-10 years). It also aims to deliver positive environmental and social outcomes in addition to financial returns. There are three categories of outcome;</p> <ol style="list-style-type: none"> 1. Mitigating Environmental, Social and Governance risks and minimising negative outcomes 2. Pursuing Environmental, Social and Governance opportunities 3. Investing in positive outcomes for disadvantaged groups or stakeholders. <p>PruFund Planet funds are invested in a range of equities, bonds, property, alternative investments and cash. This gives you the advantage of a well-balanced mix of investments with some smoothing of investment returns.</p> <p>The fund aims to limit the fluctuations (volatility) your investment experiences, after allowing for smoothing, to 17% per annum. There is no guarantee the fund will achieve its objective of managing the volatility to the target level.</p>

Appendix 2 – SEDOL & ISIN Codes for each share class

PruFund Planet funds are available on the Retirement Account (Series E), International Portfolio Bond (Series C), and through the M&G Wealth Platform (Series F).

Fund Name	Launch Date	Sedol	ISIN
Prudential PruFund Planet 1 Account Series E	26/07/2021	BN7BX30	GB00BN7BX309
Prudential PruFund Planet 2 Account Series E	26/07/2021	BN7BX52	GB00BN7BX523
Prudential PruFund Planet 3 Account Series E	26/07/2021	BN7BX74	GB00BN7BX747
Prudential PruFund Planet 4 Account Series E	26/07/2021	BN7BX96	GB00BN7BX960
Prudential PruFund Planet 5 Account Series E	26/07/2021	BN7BXC9	GB00BN7BXC90
Prudential PruFund Planet 1 Fund Series E	25/08/2021	BN7BX41	GB00BN7BX416
Prudential PruFund Planet 2 Fund Series E	25/08/2021	BN7BX63	GB00BN7BX630
Prudential PruFund Planet 3 Fund Series E	25/08/2021	BN7BX85	GB00BN7BX853
Prudential PruFund Planet 4 Fund Series E	25/08/2021	BN7BXB8	GB00BN7BXB83
Prudential PruFund Planet 5 Fund Series E	25/08/2021	BN7BXD0	GB00BN7BXD08
PIA PruFund Planet 1 Sterling Account Series C	22/11/2021	BNYDPG6	IE000121FFT2
PIA PruFund Planet 2 Sterling Account Series C	22/11/2021	BNYDPJ9	IE000MCEAHX8
PIA PruFund Planet 3 Sterling Account Series C	22/11/2021	BNYDPL1	IE000SRI21G2
PIA PruFund Planet 4 Sterling Account Series C	22/11/2021	BNYDPN3	IE000W04JPS7
PIA PruFund Planet 5 Sterling Account Series C	22/11/2021	BNYDPQ6	IE000OGSLIC4
PIA PruFund Planet 1 Sterling Fund Series C	25/11/2021	BNYDPH7	IE000KAXZO41
PIA PruFund Planet 2 Sterling Fund Series C	25/11/2021	BNYDPK0	IE000RPT3XU2
PIA PruFund Planet 3 Sterling Fund Series C	25/11/2021	BNYDPM2	IE000IG882R9
PIA PruFund Planet 4 Sterling Fund Series C	25/11/2021	BNYDPP5	IE000H3BNS86
PIA PruFund Planet 5 Sterling Fund Series C	25/11/2021	BNYDPR7	IE000L7FHWY7
Prudential PruFund Planet 1 Account Series F	30/05/2022	BP0PLQ2	GB00BP0PLQ29
Prudential PruFund Planet 2 Account Series F	30/05/2022	BP0PLR3	GB00BP0PLR36
Prudential PruFund Planet 3 Account Series F	30/05/2022	BP0PLT5	GB00BP0PLT59
Prudential PruFund Planet 4 Account Series F	30/05/2022	BP0PML4	GB00BP0PML49
Prudential PruFund Planet 5 Account Series F	30/05/2022	BP0PMN6	GB00BP0PMN62
Prudential PruFund Planet 1 Fund Series F	30/05/2022	BNZGRK2	GB00BNZGRK21
Prudential PruFund Planet 2 Fund Series F	30/05/2022	BP0PLS4	GB00BP0PLS43
Prudential PruFund Planet 3 Fund Series F	30/05/2022	BP0PMK3	GB00BP0PMK32
Prudential PruFund Planet 4 Fund Series F	30/05/2022	BP0PMM5	GB00BP0PMM55
Prudential PruFund Planet 5 Fund Series F	30/05/2022	BP0PMP8	GB00BP0PMP86

Appendix 3 – Supporting Documentation

1. Principles and Practices of Financial Management
2. Sustainability report from M&G plc
3. ESG principles
4. Overview of PruFund range of funds

Appendix 4 – Risk Profiling

PruFund Planet funds are currently risk-rated by the following providers:

- Dynamic Planner
- Defaqto Engage
- Finametrica
- Capita Synaptic
- EV

View the **current risk-rating matrix** for the fund range.

Appendix 5 – Platform Availability

The PruFund Planet range of funds is also available through the M&G Wealth Platform.

Appendix 6 – Business Resilience and Recovery

M&G plc's Business Resilience and Recovery approach includes:

Business resilience

- M&G plc has documented plans to allow appropriate responses to interruptions to business as usual at a departmental level. Plans are maintained by department managers for localised incidents. An annual assurance programme is in place, with results reported to the Operational Resilience Forum (ORF).
- M&G plc has a wider Operational Resilience programme in flight to implement heightened resilience capabilities for the business services that are most important to our customers.

IT disaster recovery

- M&G plc plans for loss of data centre or failure of critical enterprise architecture or applications. Detailed plans are maintained by relevant Technology teams.

Incident management

- M&G plc implements a defined framework by which actual or potential disruptions are identified, escalated and managed. This is supported by an annual exercising schedule.

Third party oversight

- M&G plc has identified its critical dependencies on third parties and manages these through a rigorous review and assessment programme, undertaking due diligence around operational resilience, business and IT recoverability.

Pandemic response

- M&G plc has established effective measures to mitigate any potential disruption from any future pandemic scenario. These measures are an extension of the firm's well established Business Resilience programme.

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