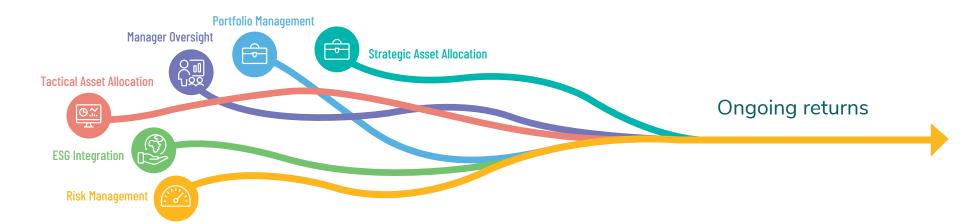


# T&IO Investment Process





#### **Strategic Asset Allocation**

- Around £153hn AUM\*
- Core to the investment approach
- In-house modelling and capital market assumptions
- Forward looking diversification is key



## **Portfolio Management**

- The centre of all investment activity
- Allocation of investments in line with strategic asset allocation strategy
- Daily portfolio monitoring
- Ensure all ongoing portfolio changes are implemented efficiently



## **Manager Oversight**

- Robust selection/oversight process
- PruFund mandate design can enhance returns
- Key source of market views from underlying managers
- Ability to seed new investment strategies



#### **Tactical Asset Allocation**

- Reflect shorter term views in portfolios
- Portfolio managers responsible within collectives\*\*
- M&G macro team responsible for TAA in PruFunds\*\*\*
- Framework in place across all multi asset portfolios



# **ESG Integration**

- Considered across all investment decisions
- Asset allocation, mandate design, manager selection and oversight
- Underlying managers look to drive investment into companies with sustainable business models
- Exclusion of companies where appropriate



## **Risk Management**

- 3 line of defence model
- Embedded at all stages of the investment process
- All portfolios formally stress tested quarterly
- Credit risk, market risk, liquidity risk, investment risk, regulatory risk and performance

<sup>\*</sup> T&IO Assets under management as at 31 December 2023. \*\* M&G Investment Management Ltd are the investment managers for the WS Prudential Risk Managed Active and Risk Managed Passive Funds. They make the relevant adjustments to the portfolios based on T&IO recommendations. \*\*\* The M&G Macro Investment Business runs the tactical asset allocation for the PruFund range of funds.