Prudential Positive Impact S3

Aims

Objective: The investment strategy of the fund is to purchase units in the M&G PP Positive Impact fund (the underlying fund).

Underlying fund objective: The fund has two aims: To provide a higher total return (the combination of capital growth and income), net of the Ongoing Charges Figure, than the MSCI ACWI Index over any five-year period; and To invest in companies that aim to have a positive societal impact through addressing the world's major social and environmental challenges. The fund gains its exposure through the M&G Positive Impact Fund, an M&G OEIC. The fund is a concentrated portfolio of global stocks, usually holding fewer than 40 stocks, investing over the long term in companies that make a positive social and/or environmental impact alongside a financial return, using a disciplined stock selection process. Sustainability and impact considerations are fundamental in determining the fund's investment universe and assessing business models. The fund embraces the United Nations Sustainable Development Goals framework and invests in companies focused on areas including climate action, pollution reduction, circular economy, health and wellbeing, education and innovation, and working conditions. The fund invests in three categories of positive impact companies: "Pioneers", whose products or services have a transformational effect on society or the environment; "Enablers", which provide the tools for others to deliver positive social or environmental impact; and "Leaders", which spearhead the development of sustainability in their industries. Investing in these categories provides diversification across industries and maturity of business models. Dialogue with the companies in which the fund invests is fundamental to the investment approach. The objective is to support and influence their contribution to the world's major social and environmental challenges. The fund manager has discretion to invest in companies with limited exposure to fossil fuels but which are driving or significantly participating in the transition to a more sustainable economy. The fund may also invest in other transferable securities, cash, and near cash, directly or via collective investment schemes (including funds managed by M&G). Derivatives may be used for Efficient Portfolio Management and hedging.

Benchmark

Benchmark	MSCI ACWI Index
ABI Sector	Global Equities

Identification Codes

Sedol Code	BKTPJ31
Mex Code	PUAABJ
Isin Code	GB00BKTPJ319
Citi Code	QYKJ

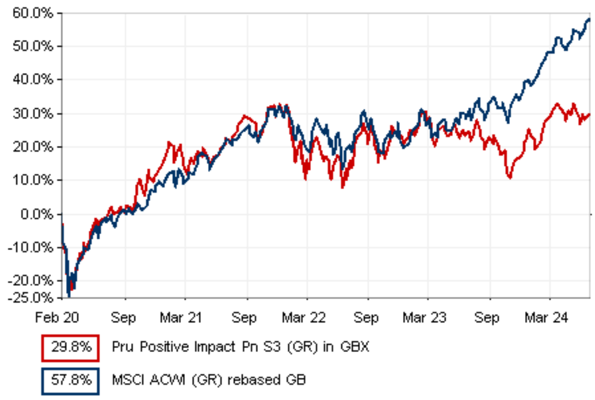
Fund Overview

Daily price (29/08/2024)	137.50
Fund size (31/07/2024)	£59.52m
Underlying Fund size	$240.51m
Number of holdings	34
Launch date	20/02/2020

Fund Charges

Annual Management Charge (AMC)	Please refer to the "Guide to Fund Options" for your specific pension plan

Performance



Discrete performance - to latest available quarter end

	30/06/19 to 30/06/20	30/06/20 to 30/06/21	30/06/21 to 30/06/22	30/06/22 to 30/06/23	30/06/23 to 30/06/24
Fund	n/a	24.4%	-9.7%	12.9%	4.1%
Benchmark	5.7%	25.1%	-3.7%	11.9%	20.6%

Performance - to latest available quarter end

	Quarter	Annualised		
	2 2024	3 Years to 30/06/24	5 Years to 30/06/24	10 Years to 30/06/24
Fund	-2.8%	2.0%	n/a	n/a
Benchmark	2.9%	9.1%	11.4%	12.3%

Prudential Risk Rating

Medium to Higher Risk

These funds offer a diverse geographical spread of equity investment or have multi-asset strategies with a specialist focus (e.g. ethical). The equity funds within this category will have greater overseas exposure and underlying volatility than the "medium" sector.

These risk ratings have been developed by Prudential to help provide an indication of a fund's potential level of risk and reward based on the type of assets which may be held by the fund. Other companies may use different descriptions and as such these risk ratings should not be considered as generic across the fund management industry.

We regularly review our fund risk ratings, so they may change in the future. If, in our view, there is a material change in the fund's level of risk, for example due to a significant change to the assets held by the fund or in the way the fund is managed, we will provide information on the new risk rating. We recommend that you make sure you understand the risk rating of any fund before you invest.

You should also consider discussing your decision and the appropriateness of a fund's risk rating with an adviser.

Fund Managers

Name:	John William Olsen
Manager of the underlying fund for:	5 years, 9 months

Important Information

- Because of changes in exchange rates the value of your investment, as well as any money you take from it, can go down as well as up.
- Some funds may invest in 'underlying' funds or other investment vehicles. The performance of our fund, compared to what it's invested in won't be exactly the same. That can be due to additional charges, cash management (needed to help people to enter and leave our fund when they want), tax and the timing of investments (this is known as a fund's dealing cycle, it varies between managers and can be several days).
- Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.
- Source of portfolio data: Broadridge. Source of performance data: FE fundinfo. We can't predict the future. Past performance isn't a guide to future performance. The figures shown are intended only to demonstrate performance history of the fund, after allowing for the impact of fund charges and further costs, but take no account of any Annual Management Charge paid for by the deduction of units. Charges and further costs may vary in the future and may be higher than they are now. Fund performance is based upon the movement of the daily price and is shown as total return in GBP with gross income reinvested. The value of your investment can go down as well as up so you might get back less than you put in.
- This factsheet is intended for the trustees, sponsors, advisers and members of occupational pension schemes using Prudential group pension contracts and Prudential grouped personal pensions and Stakeholder pension contracts. Its purpose is to provide an insight into how investment markets and funds have performed over the period and is provided for information only. If you are not familiar with any of the investment terminology included, then please contact an adviser. Investors should refer to their scheme documentation (e.g. Fund Guide) for fund availability, investment strategy, any scheme information and charges. Every care has been taken in populating this output, however it must be appreciated that neither Broadridge, Prudential nor their sources guarantee the accuracy, adequacy or completeness of this information or make any warranties regarding results from its usage.

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Portfolio data accurate as at: **31/05/24**

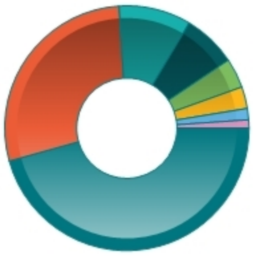
Top 10 Holdings

Name	% Weight	Sector	Country
1 NOVO NORDISK A/S	7.72%	Pharmaceuticals & Biotechnology	Denmark
2 SCHNEIDER ELECTRIC SE	6.65%	Electronic & Electrical Equipment	France
3 JOHNSON CONTROLS INTL	5.77%	Electronic & Electrical Equipment	Ireland
4 UNITEDHEALTH GROUP INCORPORATED	5.18%	Health Care Providers	United States
5 THERMO FISHER SCIENTIFIC	4.76%	Medical Equipment & Services	United States
6 REPUBLIC SERVICES	4.72%	Waste & Disposal Services	United States
7 ON SEMICONDUCTOR CORPORATION	4.70%	Technology Hardware & Equipment	United States
8 HDFC BANK LIMITED	4.39%	Banks	India
9 ALK-ABELLO A/S	3.76%	Pharmaceuticals & Biotechnology	Denmark
10 QUEST DIAGNOSTICS INCORPORATED	3.67%	Medical Equipment & Services	United States

Asset Allocation

International Equities	88.98%
UK Equities	9.53%
Cash and Equivalents	1.49%

Regional Allocation



North America	45.66%
Developed Europe - Excl UK	28.33%
UK	9.53%
Emerging Asia	7.10%
Japan	3.91%
Australia & New Zealand	2.87%
Cash and Equivalents	1.49%
Middle East & Africa	1.10%

Equity Sector Breakdown

Health Care	35.57%
Industrials	22.71%
Technology	12.15%
Financials	11.51%
Utilities	7.71%
Consumer Discretionary	4.86%
Telecommunications	2.86%
Other Sectors	2.63%

Top Country Breakdown

United States	45.66%
Denmark	14.47%
United Kingdom	9.53%
France	6.65%
Ireland	5.77%
India	4.39%
Japan	3.91%
Other Countries	9.62%

Breakdown By Market Cap (%)

Mega	25.96%
Large	19.89%
Medium	15.16%
Small	1.51%
Non-Classified	35.99%
Cash	1.49%

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Commentary

Performance as at Q2 2024 - Stock selection had a negative impact on relative returns, particularly in technology and financials. The fund's underweight to technology and overweight to healthcare also proved detrimental to relative performance. In contrast, stock selection in industrials and healthcare boosted relative returns. The fund's underweight to consumer discretionary also had a positive effect on relative returns. Key detractors from relative performance included Horiba, Bank Rakyat Indonesia and Bank of Georgia. In May, the passing of Georgia's controversial new "foreign agent" law dented Bank of Georgia's share price. The top contributors to relative performance were Novo Nordisk, ALK-Abelló and HDFC Bank. Novo Nordisk has become one of Europe's most valuable companies following exponential demand for its weight-loss drug, Wegovy and diabetes medication, Ozempic. In June, Wegovy received sales approval in China further boosting the pharma company's share price. ALK-Abelló released solid quarterly results and raised its full-year revenue guidance in May. This was largely due to strong demand for its tablets in Europe. In April, we decided to close our position in Grifols. A number of factors contributed to this decision, including concerns about the healthcare company's ability to refinance its debt should the sale of its stake in Shanghai RAAS fall through. We also sold our position in GRAIL. GRAIL became part of the fund after its spin-off from Illumina in June. We immediately closed our position in the company. We believe that some companies offering decent long-term growth prospects now come at a much cheaper price tag as investor attention has been diverted to other areas. An apt example is the life science sector which has been dented by a post-Covid slowdown and customer inventory destocking. However, we think the industry presents a long-term growth opportunity. While earnings and sentiment have both taken a hit, in our opinion, this is merely a short-term setback for the segment. Meanwhile, rooftop solar technology companies have experienced a sudden slowdown in demand due to rising mortgage rates and lower electricity prices. Distributors and installers hold sizeable inventories because of hyper growth in previous years. Destocking and reduced end-market demand have resulted in a deterioration in both earnings and multiples. However, we view the solar industry as a long-term growth market and believe that inventories will eventually clear. Offshore wind has also taken a battering. Indeed, US projects have been abandoned due to lack of profitability and aggressive contract terms. The industry has further been negatively affected by political noise in one of the biggest election years ever and reduced interest from investors given high interest rates. Offshore wind operator stocks, once priced as "high-growth" assets, have become "no-growth" assets. We think the offshore wind market is likely to return to its growth trajectory: unprofitable projects have been or are being renegotiated and demand for electricity is likely to rise due to the rapid build-out of data centres. Unfortunately, data centres also pose a significant environmental risk: not only do they require a lot of energy, but also vast quantities of water for cooling purposes. In our view, companies that can help boost data centre efficiency, such as Schneider Electric, Johnson Controls and Ansys are likely to benefit from increasing revenue opportunities. We also think these companies will become more and more important from an impact perspective.

Source: M&G

Important Information