Managed Pension Funds Limited

Timewise Target Retirement 2070 Sub-Fund

Multi-Asset Class

31 March 2024

Fund Objective

The Sub-Fund seeks to provide a balance between capital growth and capital preservation, taking into account the investment manager's view of what investments it believes are typically appropriate for an investor in a UK pension fund retiring on the target retirement date of the Sub-Fund. The investment manager will use proprietary valuation models and may select from a wide range of asset classes and instruments, including derivatives, across different geographical regions to design the portfolio while providing policyholders the ability to purchase and redeem units on an "as of" basis.

Investment Policy

Investments are made in accordance with an asset allocation "glide path" developed by the investment manager for the Sub-Fund. The glide path sets out the types of investments which the investment manager believes are appropriate for the Sub-Fund, taking into account the investment objective and the remaining time until the target retirement date of the Sub-Fund. The asset allocation and risk profile of the Sub-Fund will therefore vary over time and may also be amended from time to time depending upon the investment manager's view of whether a typical investor in a UK pension fund retiring on the target retirement date of the Sub-Fund will purchase an income generating annuity (and, if so, when that purchase will be made), market-events, changes in average life expectancy, inflation, applicable law and regulation or other circumstances deemed relevant by the investment manager.

Performance Benchmark

The benchmark for performance measurement purposes is a custom benchmark based on the strategic asset allocation of the portfolio. The composition of this benchmark will be updated on a quarterly basis, in line with changes made to the strategic asset allocation of the portfolio as it moves along the glide path towards the target retirement date.

Structure

Limited Company

Domicile

United Kingdom

Investment Manager

State Street Global Advisors Limited

Fund Facts

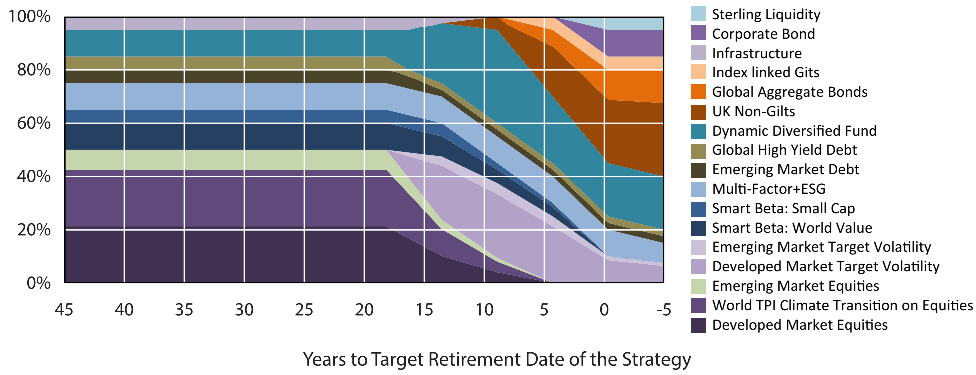
NAV	11.23 GBP as of 28 March 2024
Currency	GBP
Net Assets (millions)	0.60 GBP as of 28 March 2024
Inception Date	31 July 2023
Zone	Global
Settlement	Redemption Settlement Cycle, DD+4; Subscription Settlement Cycle, DD+4
Notification Deadline	DD 09:30am London time
Valuation	Daily market close
Swing Factor[1]	
Subscription	0.05%
Redemption	0.09%
Minimum Initial Investment	GBP .00
Minimum Subsequent Investment	GBP .00
Embedded Costs	0.25%

1. Indicative as at the date of this factsheet and is subject to change.

Performance of the fund is not shown as the inception date of the fund is less than 12 months.

Investing involves risk including the risk of loss of capital.

Glide Path



Commentary

Market Review

Global economic activity improved, with both services and manufacturing sectors advancing during the quarter. The flash purchasing managers' index (PMI) data from S&P global continued to allay recession worries. The data showed that the United States (US) economy was still growing steadily, while the European economy was rebounding from a downturn. Business activity in Japan also remained solid, while conditions in China improved. Inflation readings in advanced economies were closer to their respective central banks' targets but saw modest uptick during the quarter, specifically in the US. Labor market conditions have also softened slightly but remained tight.

Risk assets advanced during the quarter, supported by resilient macroeconomic data and strong earnings. Developed markets (DM) outperformed emerging markets (EM), driven by strong performance of growth stocks. Global bonds were negative as stickier inflation prints, strong economic data, and reduced rate cut expectations lifted yields higher. The dollar index jumped 3.2% after losing more than 4.6% in the prior quarter. Commodities also advanced, led by precious metals.

Equities

Equities witnessed a very strong start to the year as the 'everything rally' that began in October 2023 continued, driving FTSE All World Index to an all-time high of 9.1% during the first quarter of 2024. The economy avoided recession and the Fed rate cuts got pushed to June, boosting optimism and investor confidence.

For UK equities, outperformance was mellow as compared to most international peers, with the FTSE All-Share rising just 3.6% during the quarter. The UK market suffered due to its value bias, as well as from the poor performance of the UK economy, which fell into a technical recession in the second half of 2023. The UK saw annual inflation ease to 3.4% in February 2024, its lowest reading from the peak of 11.1% in the October of 2022. The Bank of England though expected to cut rates decided to hold rates in line with its European and American counterparts at 5.25% this quarter.

The FTSE All World Eurozone Index returned 8.7% during the quarter as inflation data continued to show that pressure from higher prices was abating. Inflation fell more than expected in March to 2.4%, a result of easing cost in the grocery aisle and as the overall price rises headed down in the two biggest economies – Germany and France. Meanwhile, core inflation, which excludes volatile food and energy costs, eased to 2.9% from 3.1% in February.

US equities rallied for a second straight quarter in Q1 2024. At 11.6%, the S&P 500 index posted its biggest first-quarter gain since 2019 and its fifth gain in the last six quarters. Within sectors, communications services fared the best, boosted by Meta, Walt Disney and Netflix. Information technology was also a standout as Nvidia Corp rallied. The AI theme was one of the key tailwinds in Q1 2024, helping to drive select big tech and momentum factor outperformance. The biggest area of concern during the quarter revolved around sticky core services inflation even as the US economy remained resilient. Inflation declined to 3.2% YoY in February from a peak of 9.0% in June 2022.

The FTSE Developed Asia Pacific Index returned 6.9% in Q124. Japan (+11.6%), Korea (+2.7%), and Australia (+1.7%) were the top performers on the Index during the quarter. Hong Kong (-9.2%), New Zealand (-1.6%), and Singapore (-1.5%) were the bottom three. Japan continued its upward streak, maintaining its strong position seen last year. The TOPIX was up 18.7% during the quarter. The BOJ raised interest rates in March, ending the country's historic era of negative interest rates. In a majority vote, the BOJ decided to increase short-term interest rates to 0%-0.1%.

EM equities had a slower start to the year as compared to DM with the FTSE All world EM Index returning 3.4% during the quarter. Fourteen of the 24 markets on the EM Index performed positively, with Taiwan and Pakistan leading the outperformance. Of the major EM economies, China was the only underperformer, returning -1.2% during the quarter, as it continued to struggle without any meaningful policy stimulus. However, the country did rebound from its January low as the People's Bank of China cut the five-year loan prime rate to 3.95% from 4.2% in a move to boost economic growth.

Bonds

Global bonds (Bloomberg Global Aggregate Bond Index – GBP Hedged) closed the first quarter flat, posting -0.05% returns. Global bond yields rose 23 bp during the quarter, driven primarily by bond underperformance in January and February. A major highlight during the quarter was the apprehension shown by the US Fed to cut interest rates. Market participants cut expectations of rate cuts from six to four fuelling a sell-off during January and February. However, in March, market turned, and global Treasuries posted their first positive month of the year.

The UK 10-year gilt yield rose from 3.54% at the end of 2023 to 3.93% at the end of Q1, while the 2-year rose by 19 bp to 4.17%, and the 5-year rose by 36 bp to 3.82%. In Europe too, 10-year yields climbed across the Eurozone with the exception of Italian bonds which remained flat falling 2 bp to 3.16%. 10-year German bunds saw yields rise 27 bp to 2.30%. Portuguese bonds saw the maximum yields rise of 35 bp to end the quarter at 3.01%. The US Treasury yield rose across the curve, the marquee US 10-year treasuries ended the quarter 32 bp higher at 4.20%. The 10-year though, did oscillate up to 4.25% mid-February to finally cool out to 4.20% at the end of March.

Investment grade (IG) (Bloomberg Global Corporate Index) reported flat to marginally positive returns, at 0.10% (USD terms) in the first quarter. Sterling IG Corporates returned 0.11% and spreads receded during the quarter, falling by 20 bp. Euro IG Corporates returned 0.47% (EUR terms) and spread fell by 24 bp. US Corporates returned -0.40% (USD terms) and spread fell by 9 bp.

Investors continued to find High Yield (HY) bonds attractive in this quarter demanding smaller spread margins. Global HY corporate Index posted 1.35% (in USD terms) returns in 1Q24 and spreads contracted by 37 bp. US HY spreads (Bloomberg US HY 2% Issuer Cap Index) narrowed by 24 bp. The US HY Index posted 1.47% returns (USD terms). Euro HY (+1.55% in EUR terms) outperformed their US counterparts and spreads (Bloomberg European HY 2% Issuer Cap Index) narrowed by 35 bp.

EM debt had a cautious start to the quarter, having experienced a strong rally towards the end of 2023. EM local currency debt returned -2.12% (USD terms) in Q1 2024, as measured by the JP Morgan GBI-EM Global Diversified Index. EM hard currency sovereign debt returned +2.04% (USD terms) in Q1 2024, as measured by the JP Morgan EMBI Global Diversified Index.

Alternatives

Commodities (as measured by the Bloomberg Commodities Total Return Index) registered positive returns for the quarter, up 2.2% (USD terms), buoyed by energy and gold prices. Precious metals was the top performing sector, followed by energy, while agriculture and industrial metals sector detracted.

REITs, an interest rate sensitive asset class, suffered on the back of higher interest rates. The FTSE EPRA Nareit Developed Real Estate Index declined 1.6% (USD terms), while the Dow Jones US Select REIT Index was down 0.4% (USD terms). Lodging/resorts led all sectors in Q1, followed by data centers/resorts, and retail, while diversified, specialty, and self-storage REITs detracted the most.

Asset Allocation

One of the mechanisms of managing risk within the glidepath is the allocation to the Dynamic Diversified Fund, which dynamically adjusts exposures based on anticipated market conditions - guided by our proprietary Market Regime Indicator (MRI).

The State Street MPF Dynamic Diversified Fund began the quarter with approximately 82% in growth assets. Global economic activity started 2024 on a strong footing. The labour market remained firm, while inflation moved slightly higher. Major central banks left policy rates unchanged in their first policy meetings of 2024 and signalled that rate cuts look less likely in the first quarter. Performance across risky assets was mixed in January. Stocks generally carried over their positive momentum from a strong Q4 with developed markets outperforming emerging markets. Treasuries were mostly weaker with the curve steepening, while the US dollar was stronger after two straight months of weakening. As investor sentiment remained positive, supported by faster than expected economic growth in the US and the MRI continued to trend downwards ending the month in Low Risk Regime, the team decided to increase the allocation to high yield debt along with developed market and small cap equities, funded from government and corporate bonds.

In February while the global economy accelerated, the US and European economies diverged somewhat with Europe's manufacturing activity contracting at a faster rate, driven largely by Germany. The labour market continued to remain strong, while inflation data surprised to the upside. Risk assets, notably equities, advanced during the month. Both developed markets and emerging markets rose, with EM performing strongly driven by a rebound in China. Treasuries were notably weaker with the curve flattening amid a broad repricing of rate cut expectations after hawkish takeaways from the latest FOMC meeting. The yield on the 10-year US Treasury note rose from 3.95% to 4.24%. The US dollar was modestly higher, while commodities were weaker driven by lower natural gas prices. Following the MRI regime shift to Euphoria in the first half of the month the team reduced exposure to developed market equities and allocated proceeds to cash. However, later in the month, as market sentiment remained positive supported by resilient economic data and rather strong earnings reports the MRI rebounded and settled in Low Risk Regime. The team decided to re-risk the portfolio and increased the allocation to developed market, small cap equities and high yield debt, fully financed from a reduction in cash.

In March, global economic activity remained positive. The data showed that the United States economy was still growing steadily, while the European economy was rebounding from a downturn. Labour market conditions softened slightly, but remained tight. Risk assets continued to advance in March, as developed markets outperformed emerging markets, mainly driven by strong performance in growth stocks. The US dollar continued to advance, while commodities also appreciated, led by precious metals and increased oil prices. Recession worries continued to diminish supported by positive surprises on the global economic data along with an ongoing optimism around AI, while the MRI, after staying in Low Risk Regime for short period of time, reverted back and settled in Euphoria. The team decided to modestly de-risk the portfolio and decreased exposure in developed market equities by 8%. The proceeds were mainly allocated to cash along with a minor increase in high yield debt and small cap equity exposures. At the end of March, the State Street MPF Dynamic Diversified Fund exposure to growth assets was approximately 86%, of which 69% was invested in developed market large & small cap equity, and emerging market equity.

For More Information

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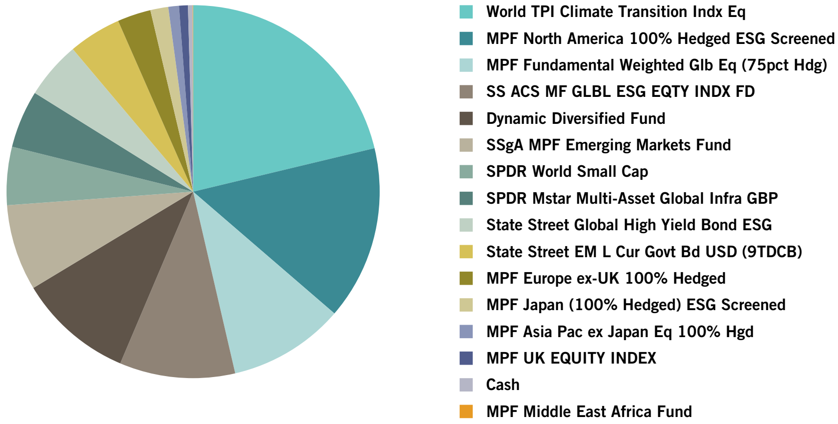
Source: Bloomberg, FactSet, J.P. Morgan, Barclays, Morgan Stanley, Wall Street Journal, Barron's, Nareit, MSCI, S&P Global, and FTSE, as of 31 March 2024

All performance cited is calculated in GBP unless otherwise stated

Past performance is not a reliable indicator of future performance. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income as applicable. Investing involves risk including the risk of loss of principal.

Asset Allocation

	Fund (%)
World TPI Climate Transition Indx Eq	21.25
MPF North America 100% Hedged ESG Screened	15.07
MPF Fundamental Weighted Glb Eq (75pct Hdg)	10.05
SS ACS MF GLBL ESG EQTY INDX FD	10.01
Dynamic Diversified Fund	9.98
SSgA MPF Emerging Markets Fund	7.47
SPDR World Small Cap	5.04
SPDR Mstar Multi-Asset Global Infra GBP	5.00
State Street Global High Yield Bond ESG	4.97
State Street EM L Cur Govt Bd USD (9TDCB)	4.57
MPF Europe ex-UK 100% Hedged	2.90
MPF Japan (100% Hedged) ESG Screened	1.55
MPF Asia Pac ex Japan Eq 100% Hgd	0.92
MPF UK EQUITY INDEX	0.77
Cash	0.40
MPF Middle East Africa Fund	0.04



Asset allocations shown are as of the date indicated and are subject to change.

Please note that full details of underlying fund holdings can be found on www.ssga.com.

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Marketing Communication
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