

# US MARKET PARTICIPATION STRATEGY (MPS)

December 31, 2024



**PGIM**  
QUANTITATIVE SOLUTIONS



## Investment Objective\*

Seeks to provide upside market capture when the US stock market advances, while limiting losses during markets downturns.

## Investment Approach

Utilizes long-dated S&P 500 call options in combination with US Treasuries to provide upside participation and downside protection. Exposures (market, volatility and duration) are actively managed in response to the changing market environment.

## Key Features

- US large-cap risk mitigation focus
- Thirty year track record (inception January 1992) with no personnel turnover
- Utilizes highly liquid instruments seeking to achieve targeted exposures
- Designed to capture approximately 60% of the S&P 500 Index on the upside, while participating in only 33% of the downside
- Combines quantitative parameters and tactical portfolio manager judgment
- Highly experienced team determines target net exposure, provides oversight and makes continual model enhancements

## Experienced Portfolio Management

Devang Gambhirwala, MBA, Portfolio Manager

Marcus Perl, MA, Portfolio Manager

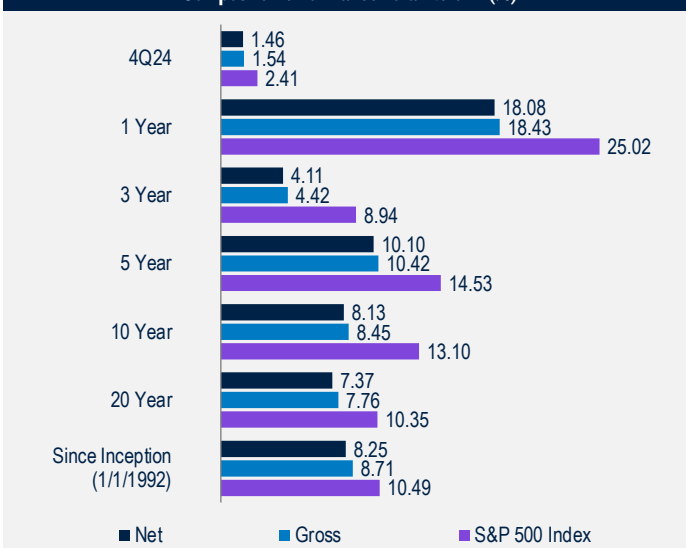
Joel Kallman, MBA, CFA, Portfolio Manager

Edward Tostanoski, CFA, Portfolio Manager

### Composite Performance & Risk Statistics - 25 Years

	MPS Composite		S&P 500 Index
	Net	Gross	
<b>Return Statistics</b>			
Annualized Return	5.90%	6.32%	7.70%
Average Month	0.51%	0.54%	0.74%
<b>Risk Statistics</b>			
Standard Deviation		8.33%	15.32%
Sharpe Ratio	0.54		0.38
Sortino Ratio	0.89		0.56
Maximum Drawdown		-19.03%	-50.95%
Beta vs. S&P 500 Index	0.48		1.00

### Composite Performance Total Return (%)



Past performance is not a guarantee or a reliable indicator of future results.

## About PGIM Quantitative Solutions

PGIM Quantitative Solutions is the quantitative equity and multi-asset specialist of PGIM. For 50 years, PGIM Quantitative Solutions has helped investors around the world solve their unique needs by leveraging the power of technology and data as well as advanced academic research. PGIM Quantitative Solutions manages \$111.3 billion in assets under management/administration as of 12/31/2024.<sup>1</sup>

### For Professional Investors Only. All investments involve risk, including the possible loss of capital.

\*There is no guarantee that the objective will be met.

<sup>1</sup>Inception 1/1/1992.

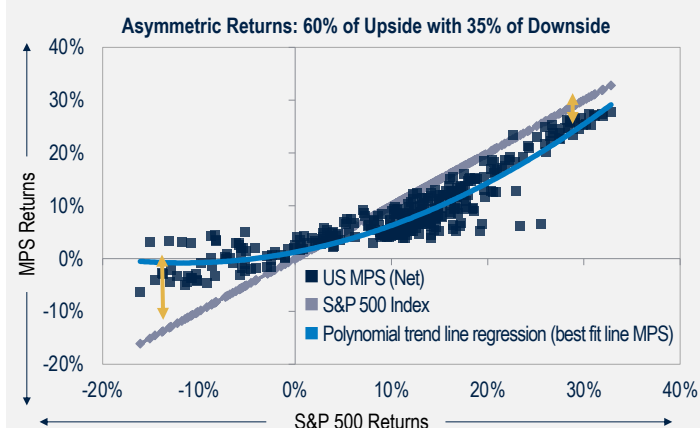
<sup>1</sup>PGIM Quant provides model portfolios for certain accounts, the assets of which (Assets Under Administration) are included in the total AUM/AUA figure. The Net AUM is \$108.5 billion and the AUA is \$2.8 billion.

PGIM Quantitative Solutions is the primary business name of PGIM Quantitative Solutions LLC.

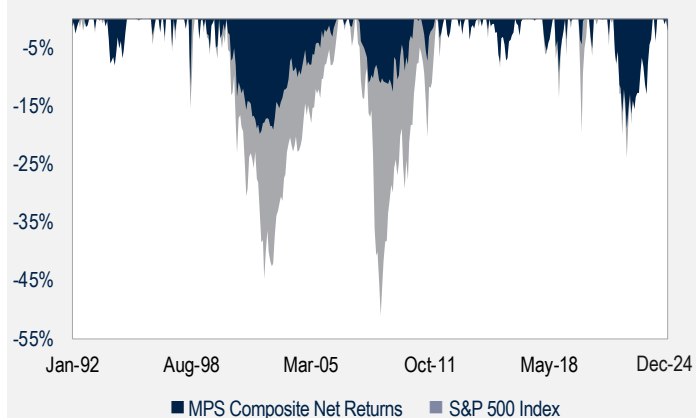
Source: PGIM Quantitative Solutions, S&P Dow Jones Indices LLC, Ibbotson Associates. Characteristics are for the representative portfolio within the composite, and are subject to change. Periods greater than one year are annualized. Standard Deviation is the statistical measurement of dispersion of returns spread around their historical average. Sharpe Ratio uses standard deviation to measure a portfolio's risk adjusted returns. Maximum Drawdown is the maximum drawdown of the peak-to-trough declines during a specific period. Beta shows the volatility of a manager compared to the volatility of a benchmark. Correlation is a statistical measure of how two assets move together.

All data as of 12/31/2024.

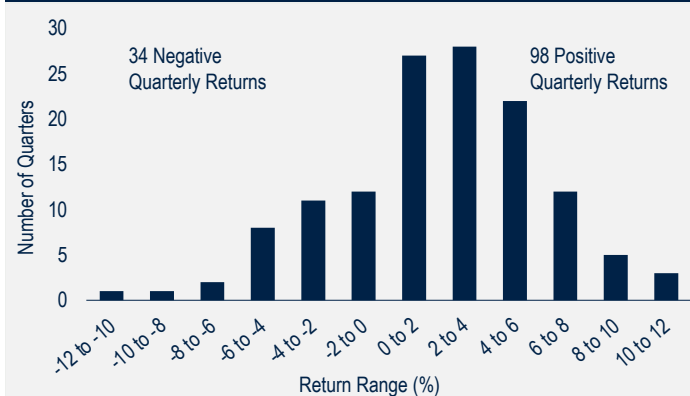
### Composite Return Profile - Rolling 3 Year Net Returns Since Inception<sup>^</sup>



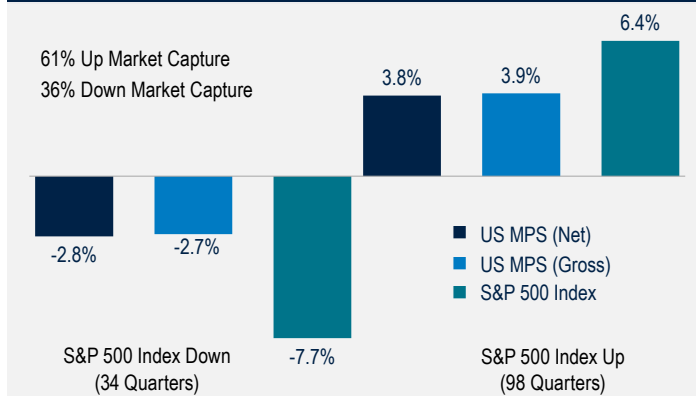
### Historical Drawdown Risk Since Inception<sup>\*</sup>



### Quarterly Gross Composite Return Distribution Since Inception<sup>\*</sup>



### Average Quarterly Composite Gross Results Since Inception<sup>\*</sup>



## Composite Annual Returns (%)

	1992*	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Net Returns	5.38	9.71	-2.56	31.70	19.82	29.96	28.82	9.93	-0.38	-8.35	-3.12	6.58	7.34	2.13	9.16	13.43	-8.10
Gross Returns	5.91	10.26	-2.07	32.34	20.41	30.60	29.45	10.48	0.12	-7.89	-2.63	7.11	7.88	2.65	9.70	13.99	-7.64
S&P 500 Index	7.61	10.08	1.32	37.59	22.96	33.38	28.58	21.04	-9.11	-11.89	-22.10	28.69	10.88	4.91	15.80	5.49	-37.00
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024**	
Net Returns	1.78	8.10	3.35	2.24	26.38	11.12	-3.14	5.81	12.64	-3.26	20.92	21.03	18.43	-16.27	14.15	18.08	
Gross Returns	2.28	8.64	3.86	2.55	26.75	11.45	-2.85	6.13	12.98	-2.97	21.28	21.39	18.78	-16.01	14.48	18.43	
S&P 500 Index	26.46	15.06	2.11	16.00	32.39	13.69	1.38	11.96	21.83	-4.38	31.49	18.40	28.71	-18.11	26.29	25.02	

\*Inception 1/1/1992. \*\*As of 12/31/2024. **Past performance is not a guarantee or a reliable indicator of future results.**

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The performance results herein represent the investment performance record for the US Market Participation Strategy Composite managed by PGIM Quantitative Solutions LLC.. Characteristics are for the representative portfolio within the composite and are subject to change. Diversification does not protect against a loss in a particular market; however, it allows you to spread that risk across various asset classes. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

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