



20 April 2026 (Monday)
3:00 – 4:00 pm

Preparing for Tomorrow: Building a Robust Retirement Portfolio Today



APRIL 2026

PREPARING FOR TOMORROW: BUILDING A ROBUST RETIREMENT PORTFOLIO TODAY

Fabiana Fedeli

CIO Equities, Multi Asset
and Sustainability



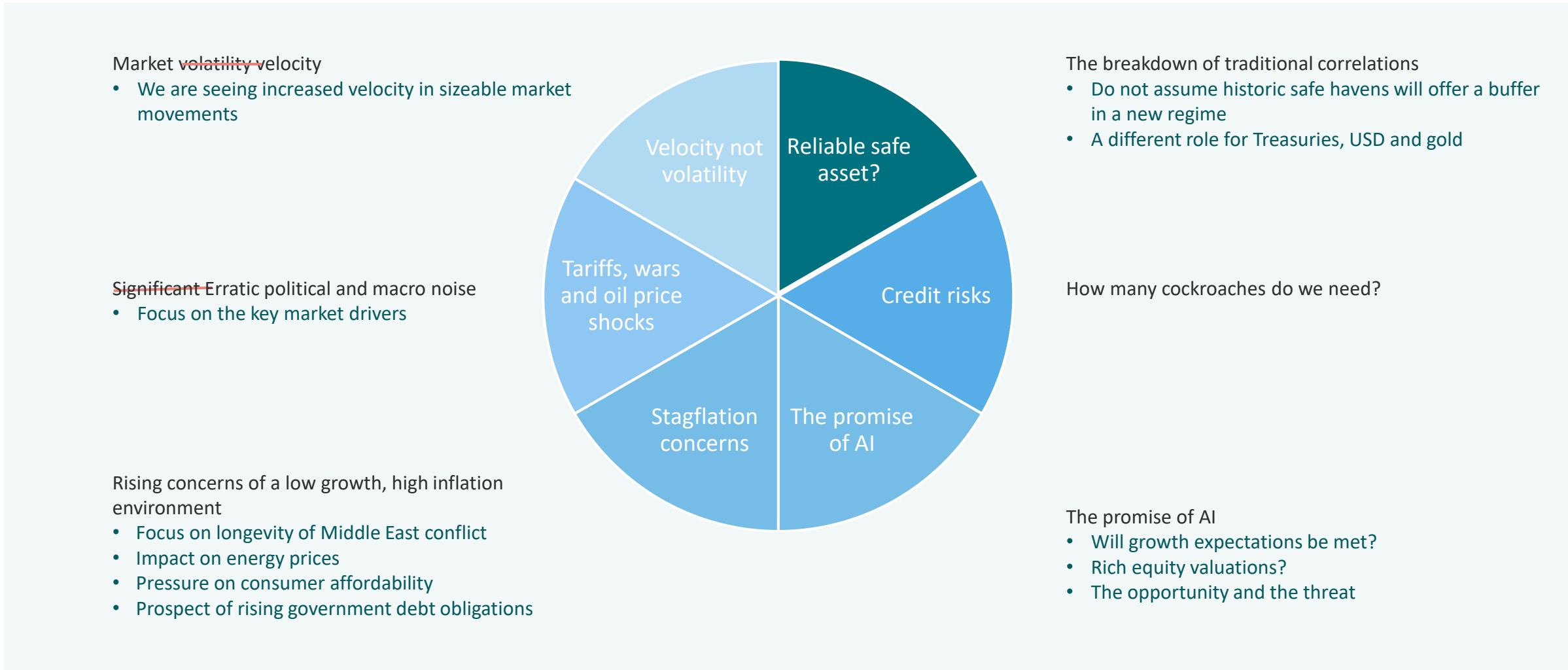
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MACRO AND MARKET BACKDROP



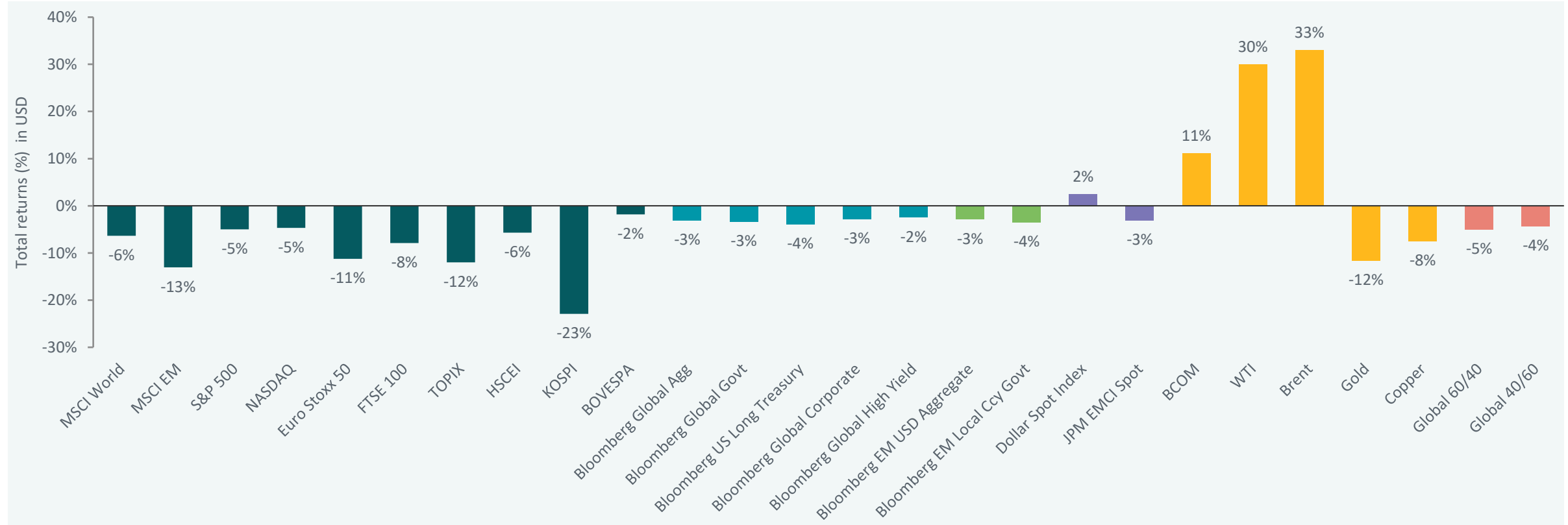
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Key issues facing investors



Despite the conflict in the Middle East

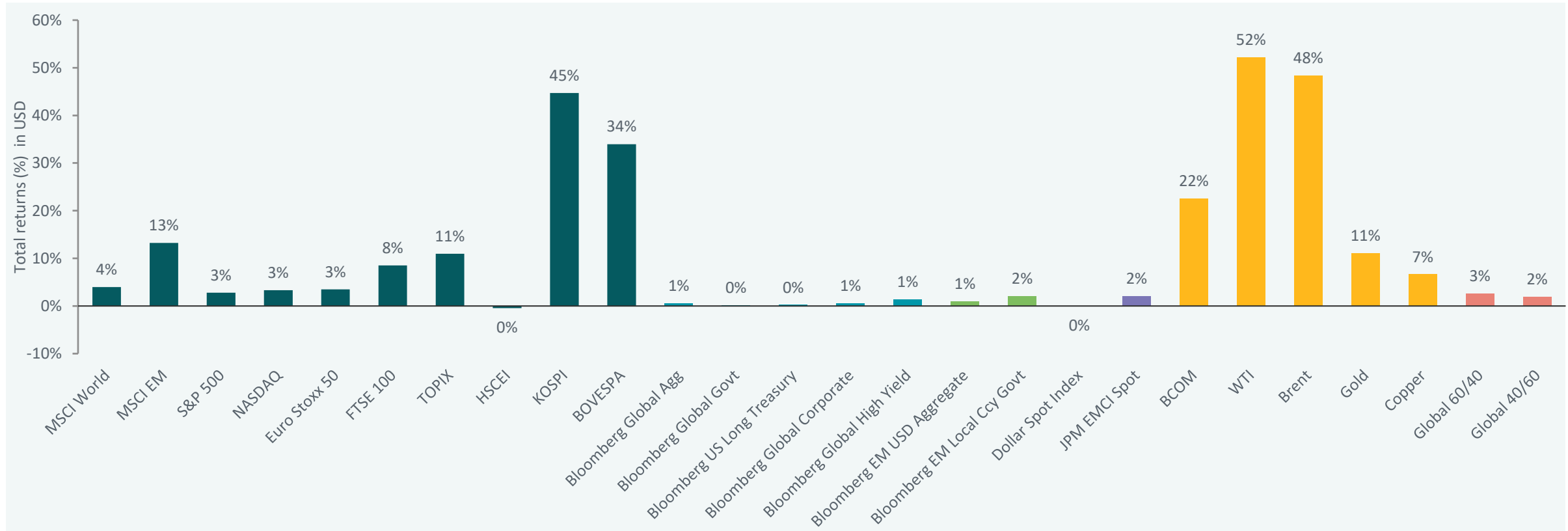
Total returns for the month of March 2026



Source: Bloomberg, 16 April 2026. Bloomberg Global EQ:FI 60:40 Index – designed to measure cross asset market performance globally. The index rebalances monthly to 60% equities and 40% fixed income (vice versa for the Global 40/60 index) Asset classes are represented by Bloomberg Developed Markets Large & Mid Cap Total Return Index (DMTR) and Bloomberg Global Aggregate Index (LEGATRUU) respectively. Investors cannot invest directly in an index.

Risk markets have been surprisingly resilient

YTD through 16 April 2026

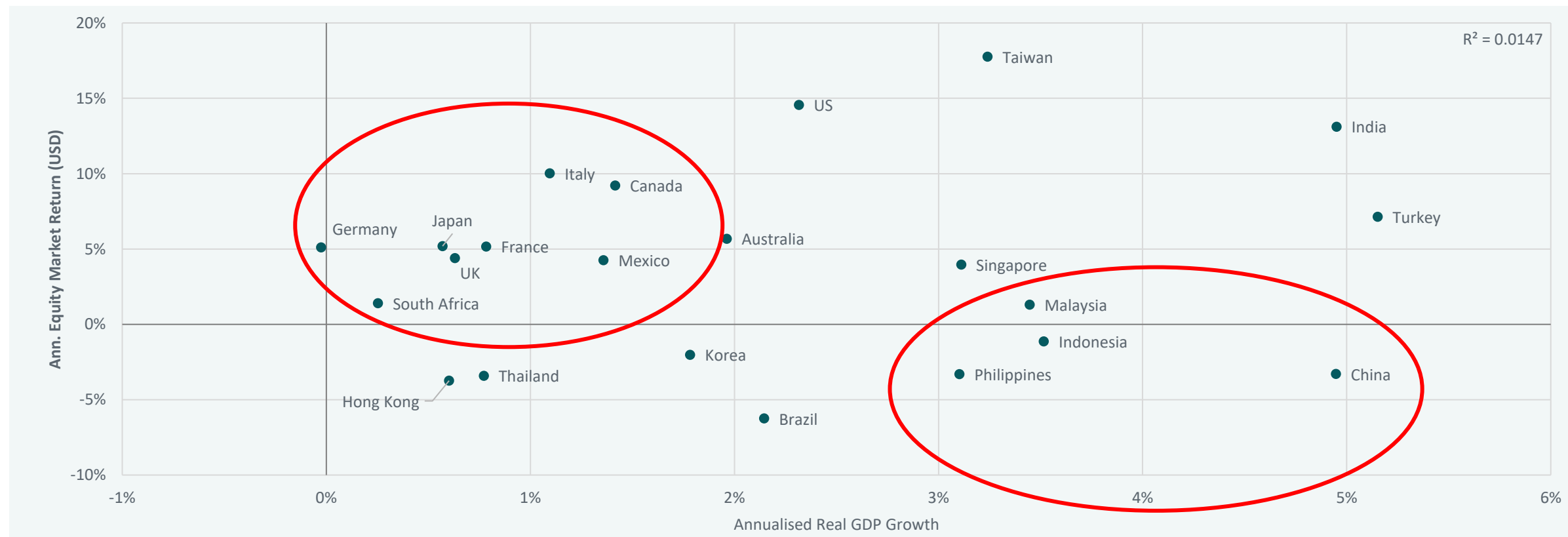


Source: Bloomberg, 16 April 2026 15.40. Bloomberg Global EQ:FI 60:40 Index – designed to measure cross asset market performance globally. The index rebalances monthly to 60% equities and 40% fixed income (vice versa for the Global 40/60 index) Asset classes are represented by Bloomberg Developed Markets Large & Mid Cap Total Return Index (DMTR) and Bloomberg Global Aggregate Index (LEGATRUU) respectively. Investors cannot invest directly in an index.

Let's not forget: equities follow businesses not the big picture

Debunking the macro myth

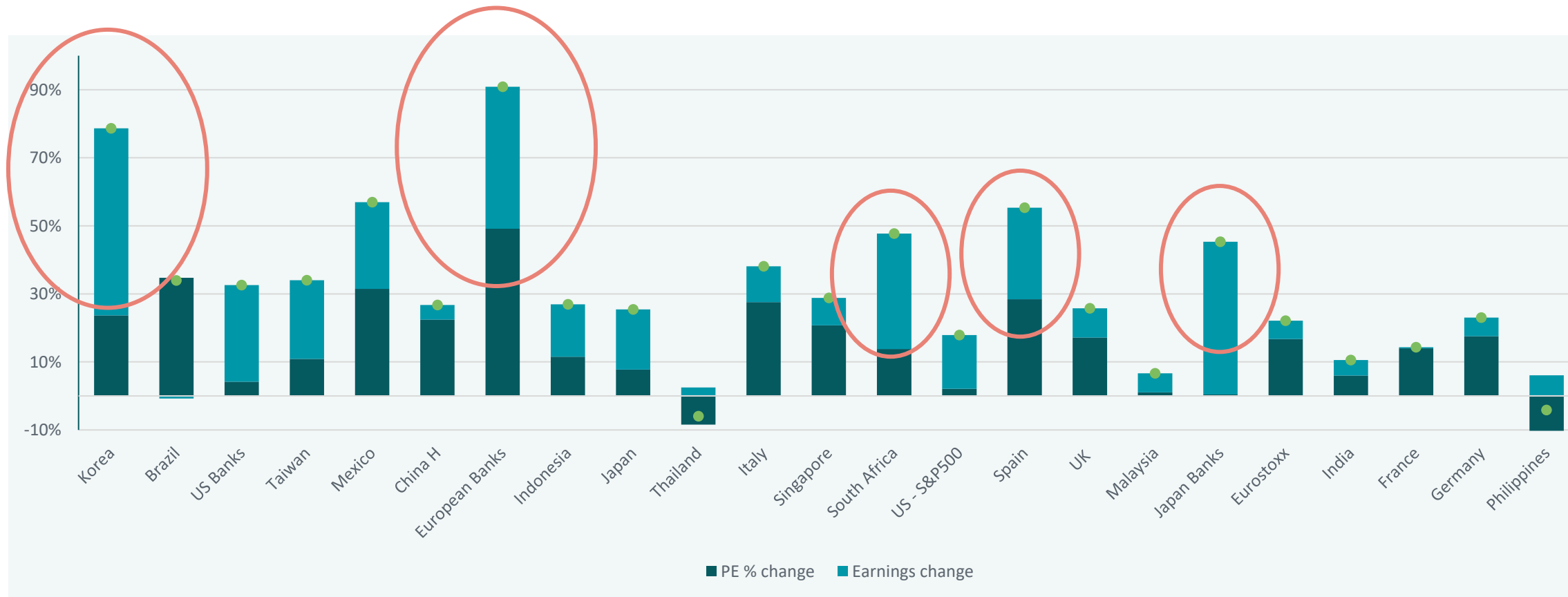
Equity market returns vs. Real GDP growth: annualised data over a 5-year period through 31 December 2024



Earnings drive equity markets

Drivers of returns

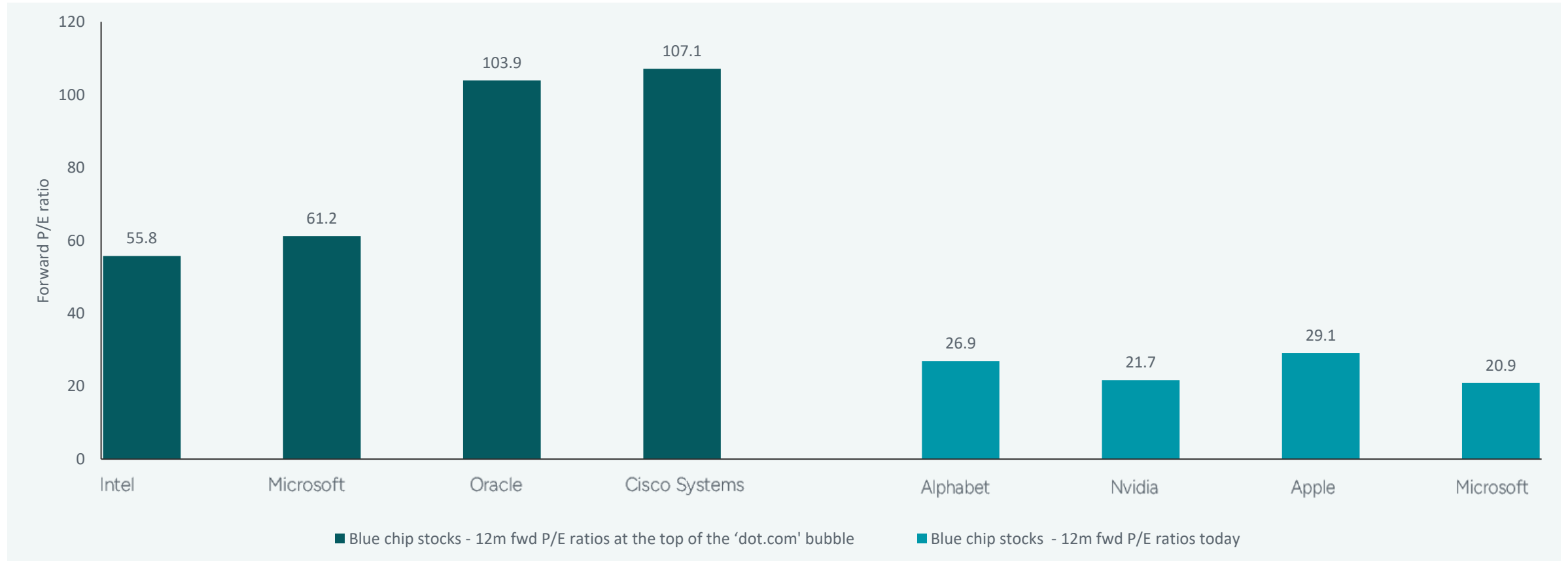
PE and EPS change (%) 2025



AI bubble?...the wrong question to ask

This time is different, at least for now

Forward P/E ratios of blue-chip stocks at the top of the 'Tech bubble' and today



Velocity rather than Volatility

The S&P E-mini US\$2.5tr round trip

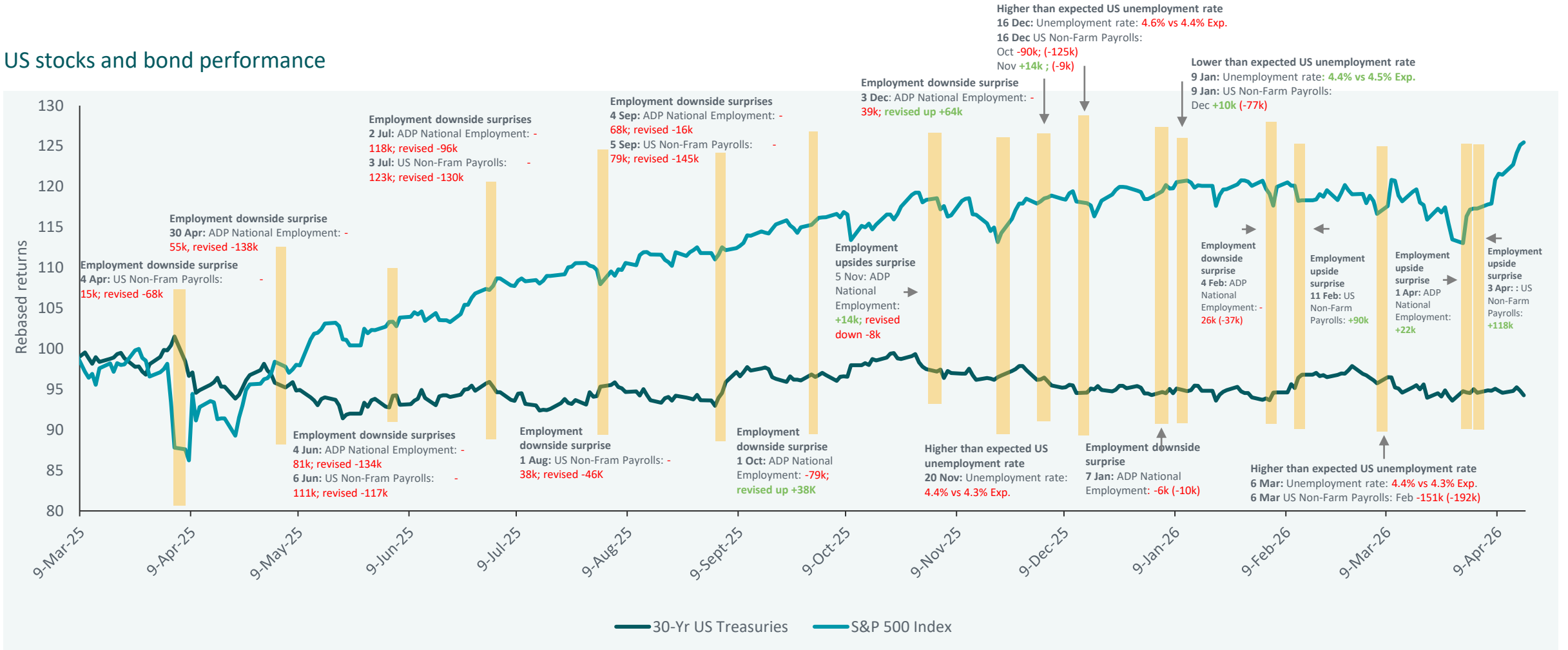
i Past performance is not a guide to future performance

The S&P E-mini spike in April



Bond-equity correlation: where is my safe haven?

US stocks and bond performance

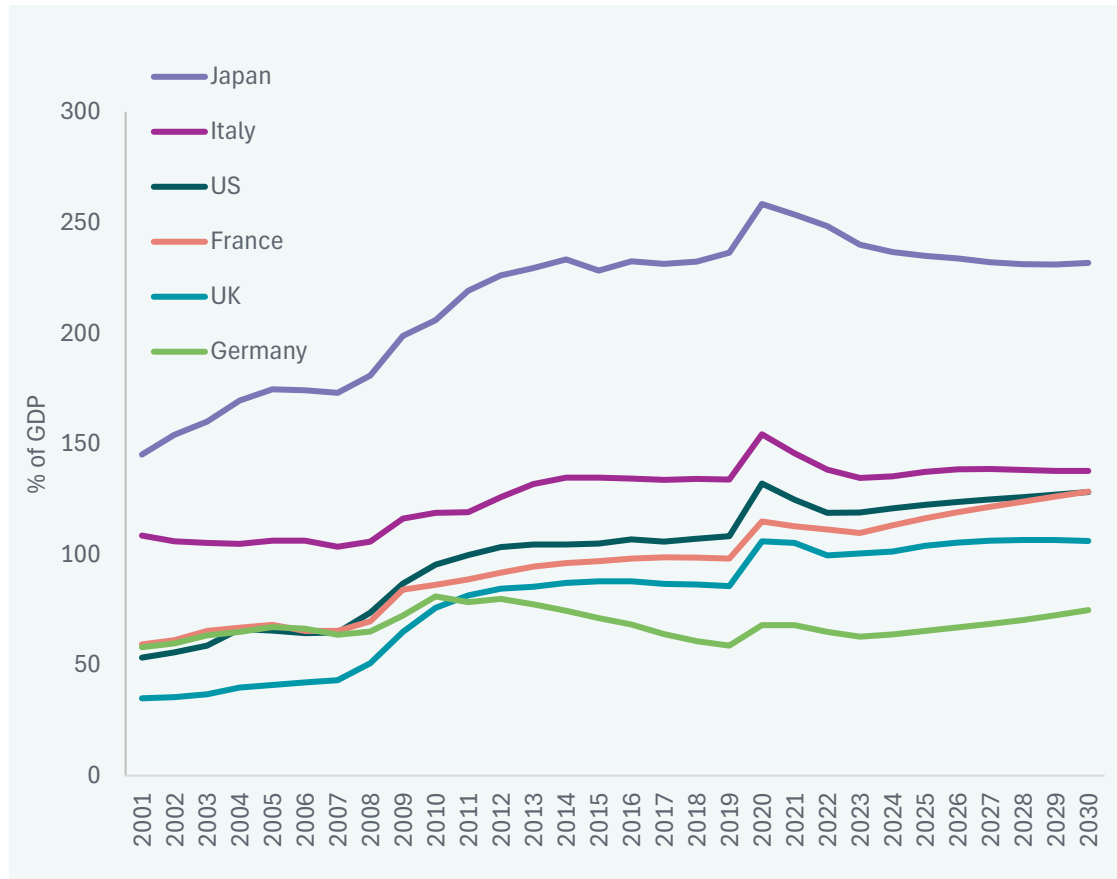


Source: Refinitiv Workspace, 16 April 2026. Returns rebased to 100 on 9 March 2025. S&P 500 Index and ICE BofA Current US 30-Yr Treasuries Index. Past performance is not a guide to future performance. Employment downside surprise versus Reuters Polling expectations.

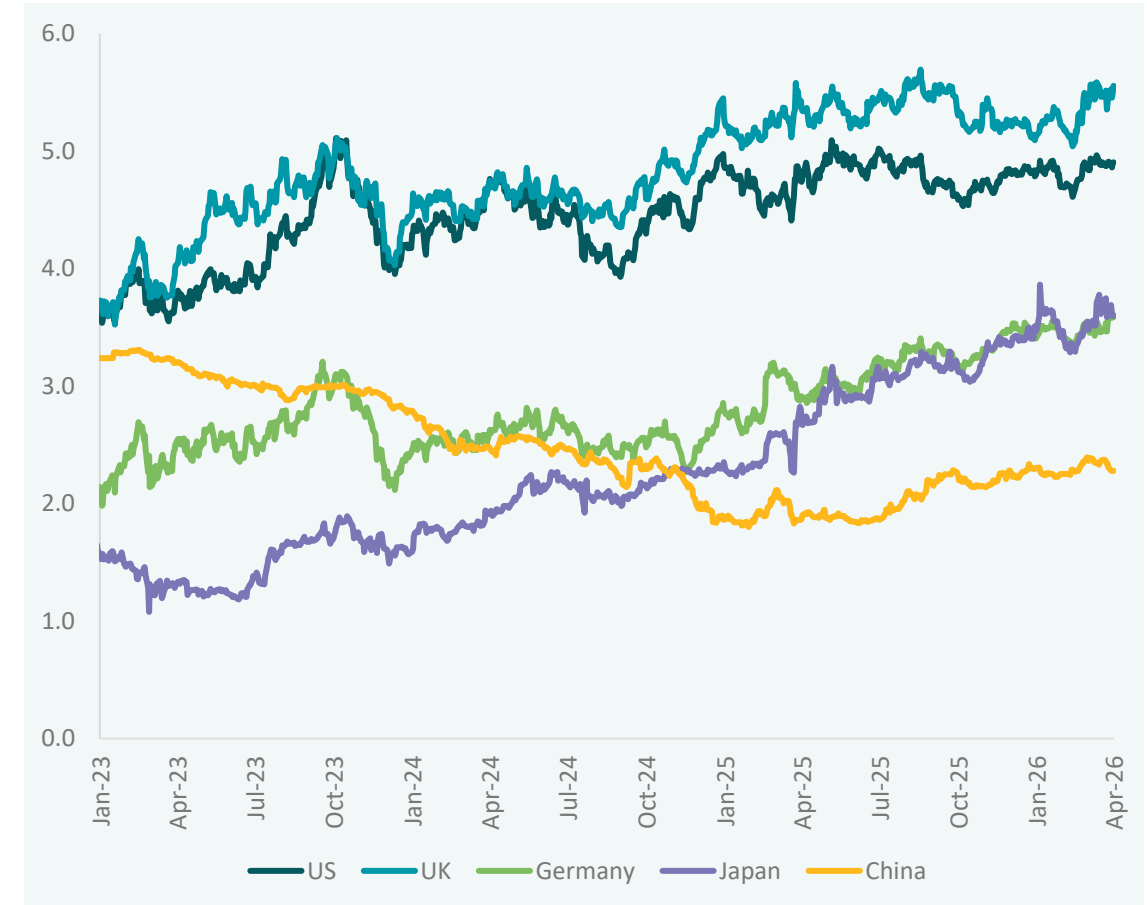
Government debt: how much is too much?

Steepening yields curves across G7

Gross government debt/ GDP (%)

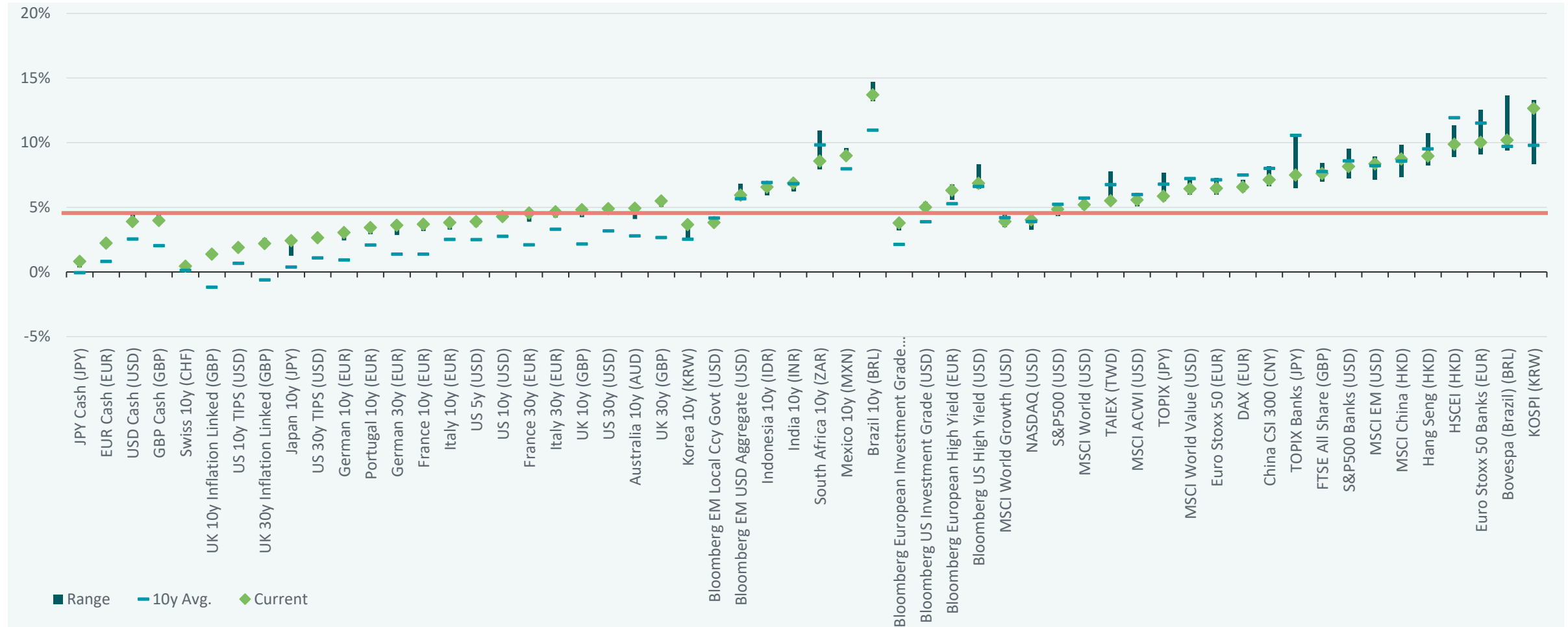


30 Year bond yields



Bonds have value, Equities have potential

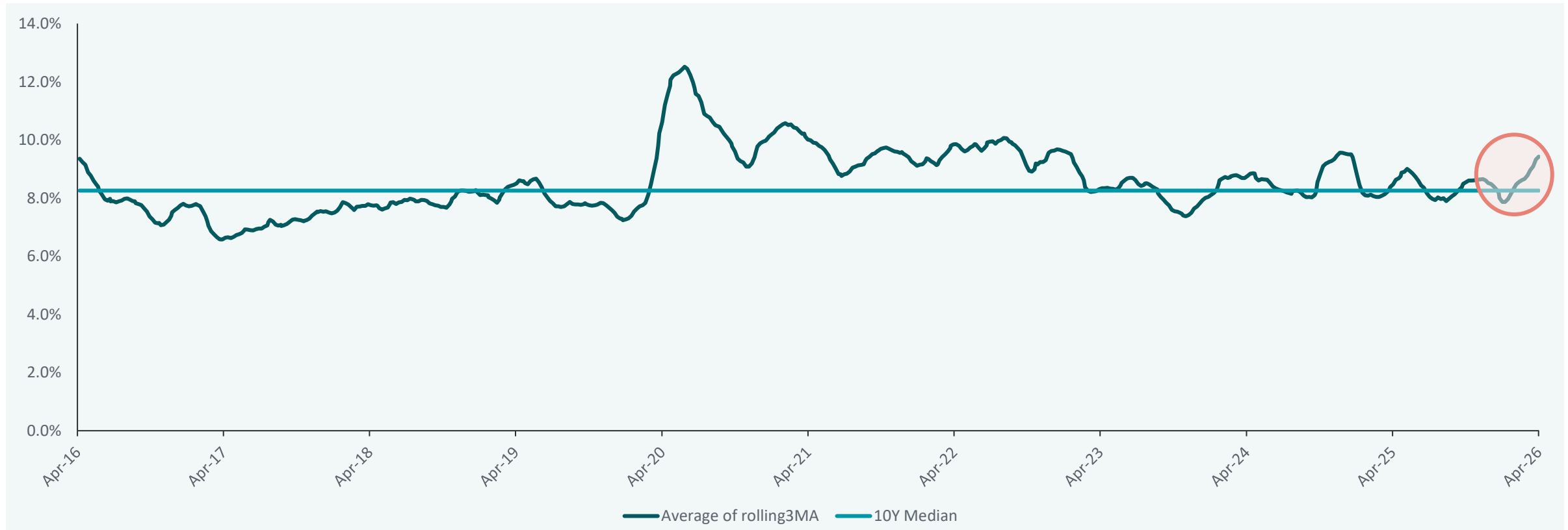
Nominal yields of select assets versus 12-month range and 10-year average



Equities: Don't hope for beta, focus on alpha

The opportunity: at a top-down level return dispersion is trending above its 10-year median

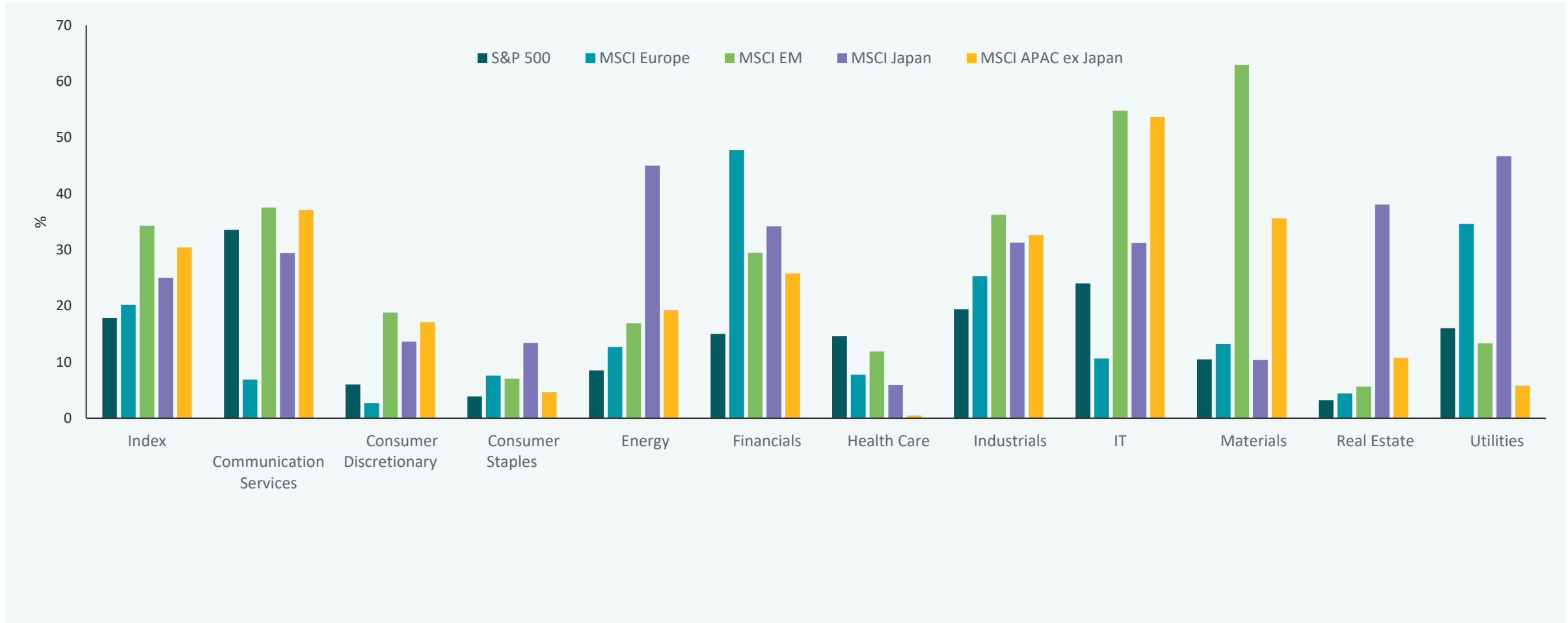
MSCI AC World Index: Cross-sectional return dispersion (3m rolling average)



Return dispersion across markets

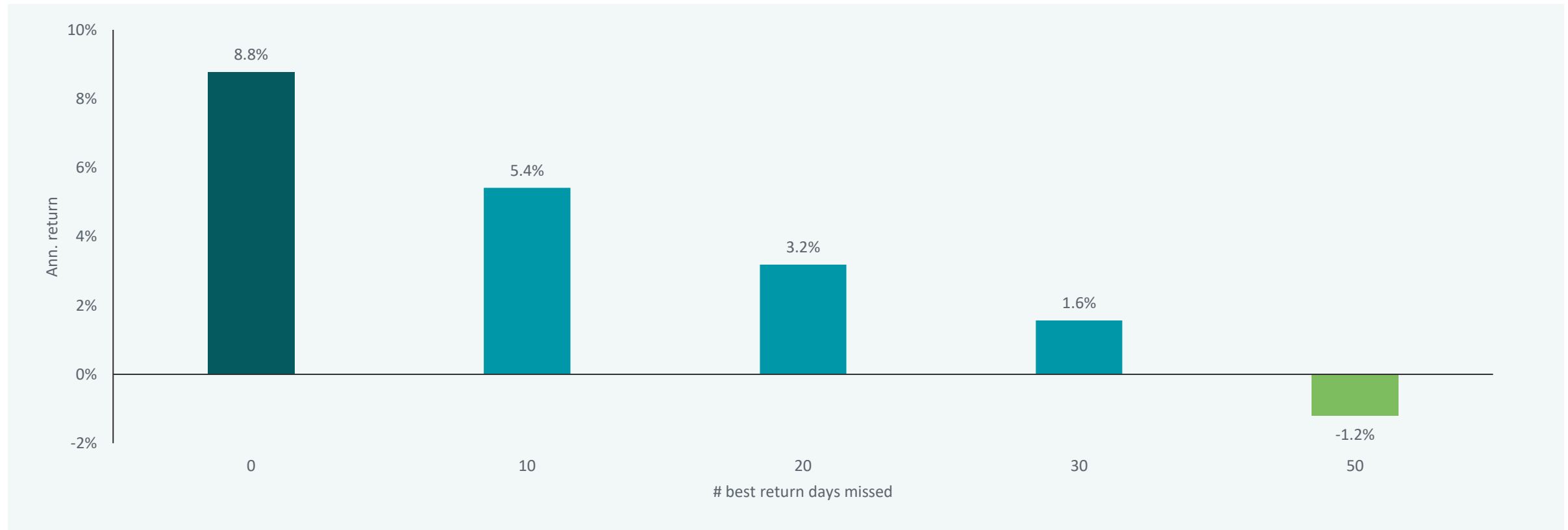
US, Europe, EM, Japan and Asia Pacific ex Japan sector returns

Equity markets: 2025 sector total returns



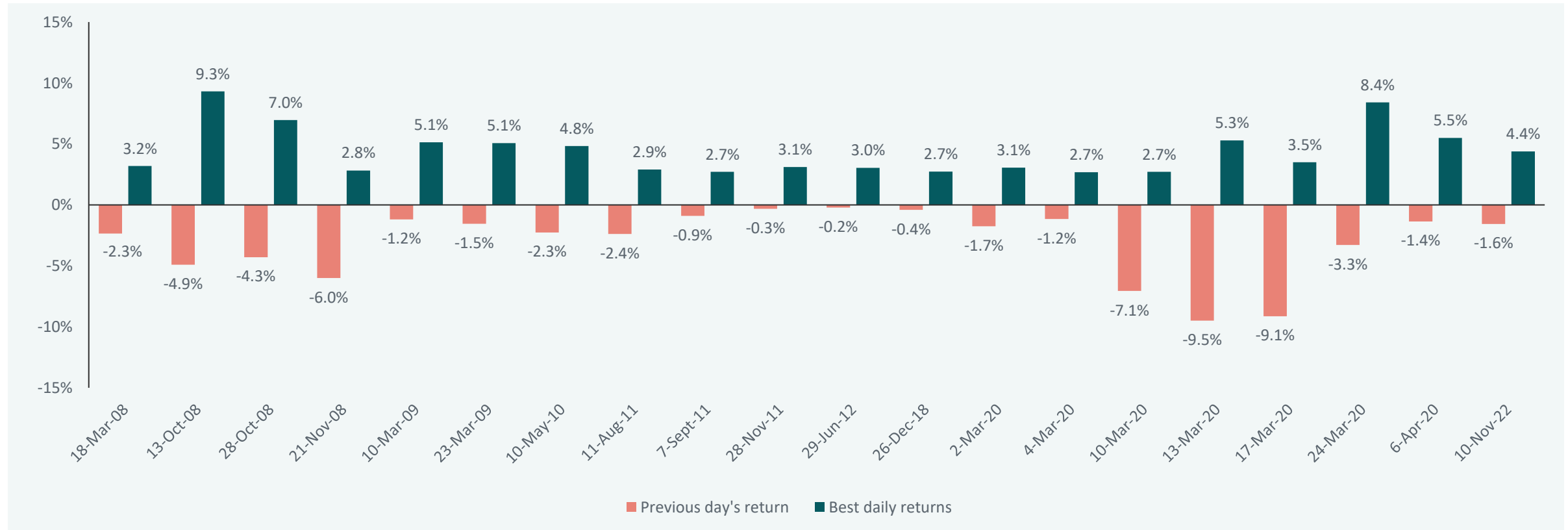
Stay invested: Time in the market, rather than timing the market

MSCI AC World Index returns: Annualised returns (2005-2025)



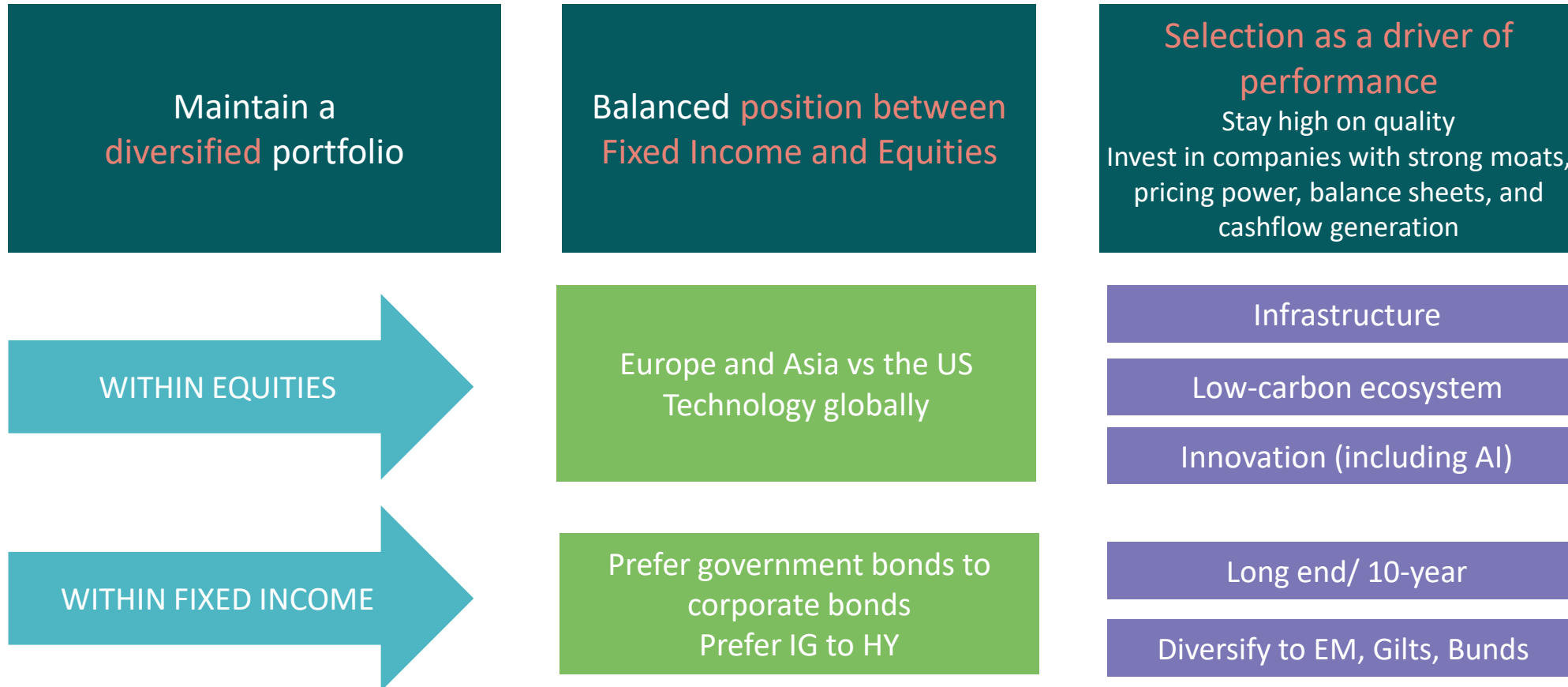
And often the best days follow some of the worst days

MSCI AC World Index (daily returns)



Positioning in an uncertain environment

Be selective. Stay diversified. Focus on long-term themes & seek out tactical opportunities.



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BUILDING IN RESILIENCE

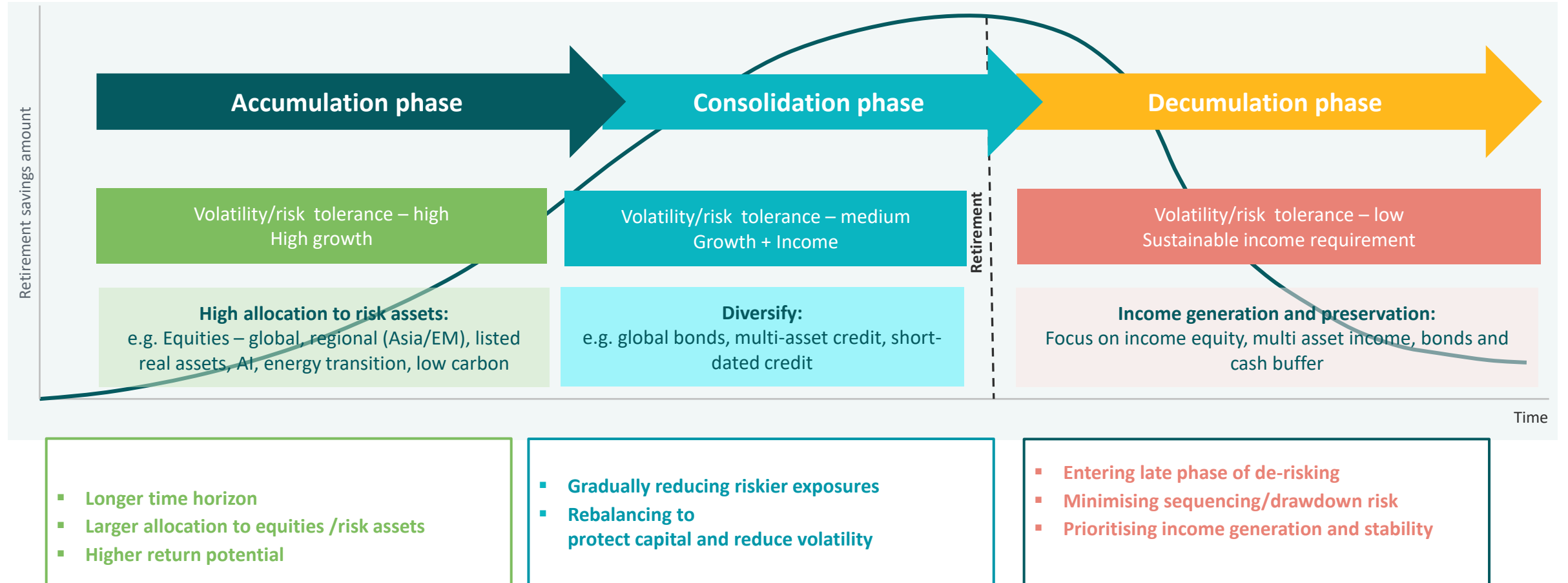
DIVERSIFICATION, ADAPTABILITY AND HARNESSING ALPHA



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Evolving growth and income needs

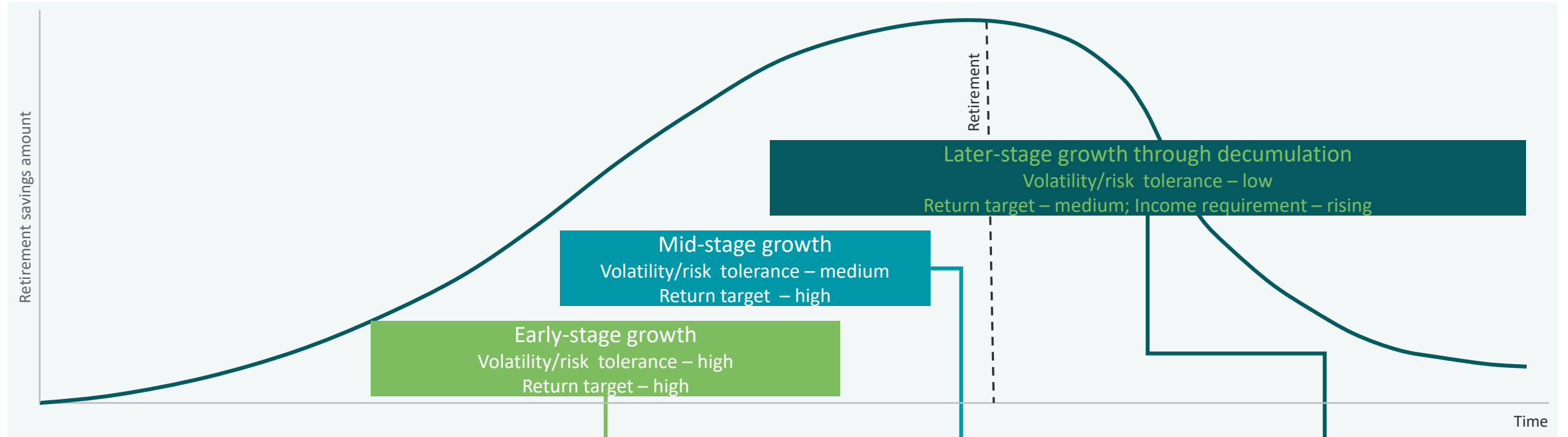
Different assets suit different parts of savings journey



Considerations: Time horizon | Return needs | Objectives | Risk tolerance | Capital market assumptions

Fitting private assets into a DC glidepath/lifestyle allocation

Different assets suit different parts of savings journey



- Private Equity/Venture Capital
- High growth
- Diversifier against traditional sources of return
- 15% IRR + *
- C. 1.5% management fees
- Drawdown structures and liquidity management challenges

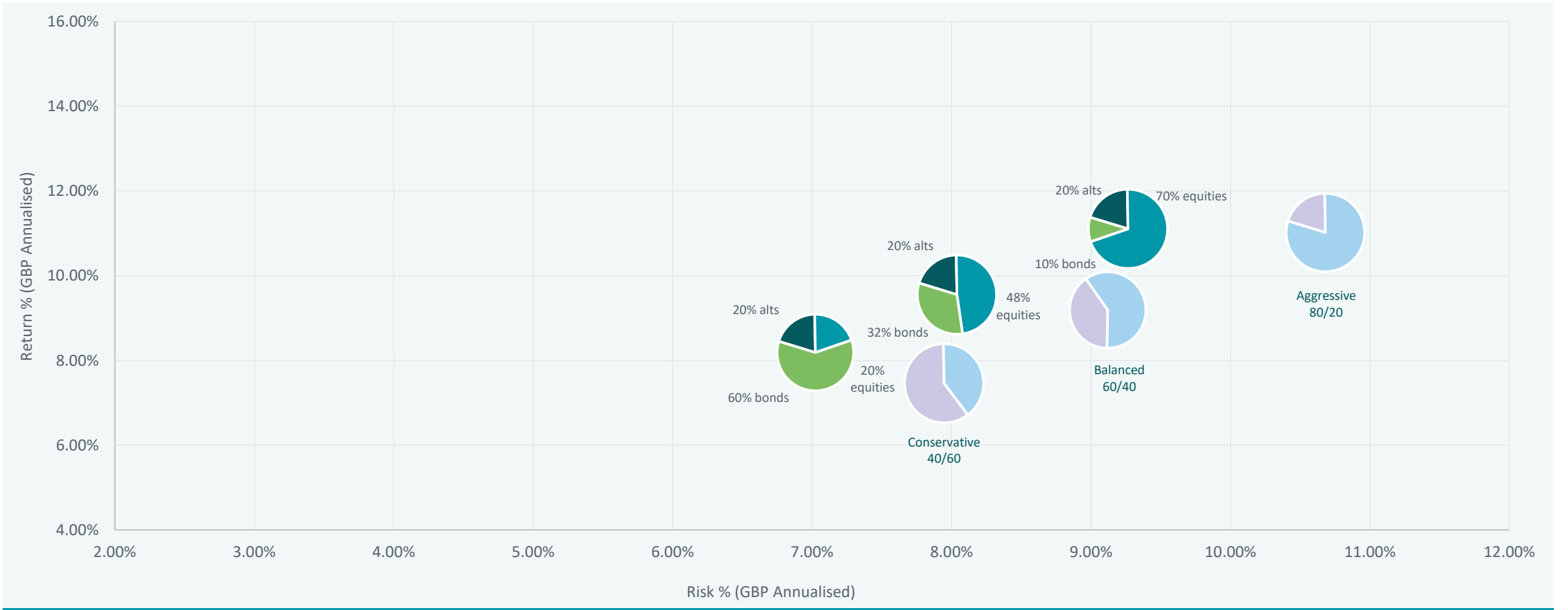
- Real Assets**
- Infrastructure, real estate, forestry, natural capital
 - Access to sustainable assets
 - 6-12% IRR *
 - C. 1.0% management fee
 - Inflation protection either implicit or explicit
 - Potential drawdown structure and liquidity management challenges

- Private Credit**
- Exposure to corporate, consumer and real asset risks diversify vs traditional return sources
 - Returns cash + 3 – 6% *
 - C. 0.5% – 1% management fees
 - Minimise duration/floating rate proposition
 - Minimise drawdown risk entering late phase of de-risking
 - Contractual income-driven returns promoting income stability
 - Yield premia to deliver on income requirements

Source: M&G Investments, for illustrative purpose only. * Target returns are not guaranteed.

Maintain diversification

To reduce risk and improve returns



Private Markets can help to improve returns for traditional client portfolios

Source: M&G 2024: Public Equity MSCI World Total Return, Public Fixed Income ICE BofA Global Corporate Index, Private Markets portfolio= M&G investments Private Equity, Real Assets and Private Credit track records. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and/or current market conditions and are not an exact indicator.

Investing in long-term themes

With structural tailwinds

Infrastructure



Digital | Communications | Transport | Utilities | Energy | Education | Healthcare

Low carbon



The energy transition | energy security

Innovation (including AI)



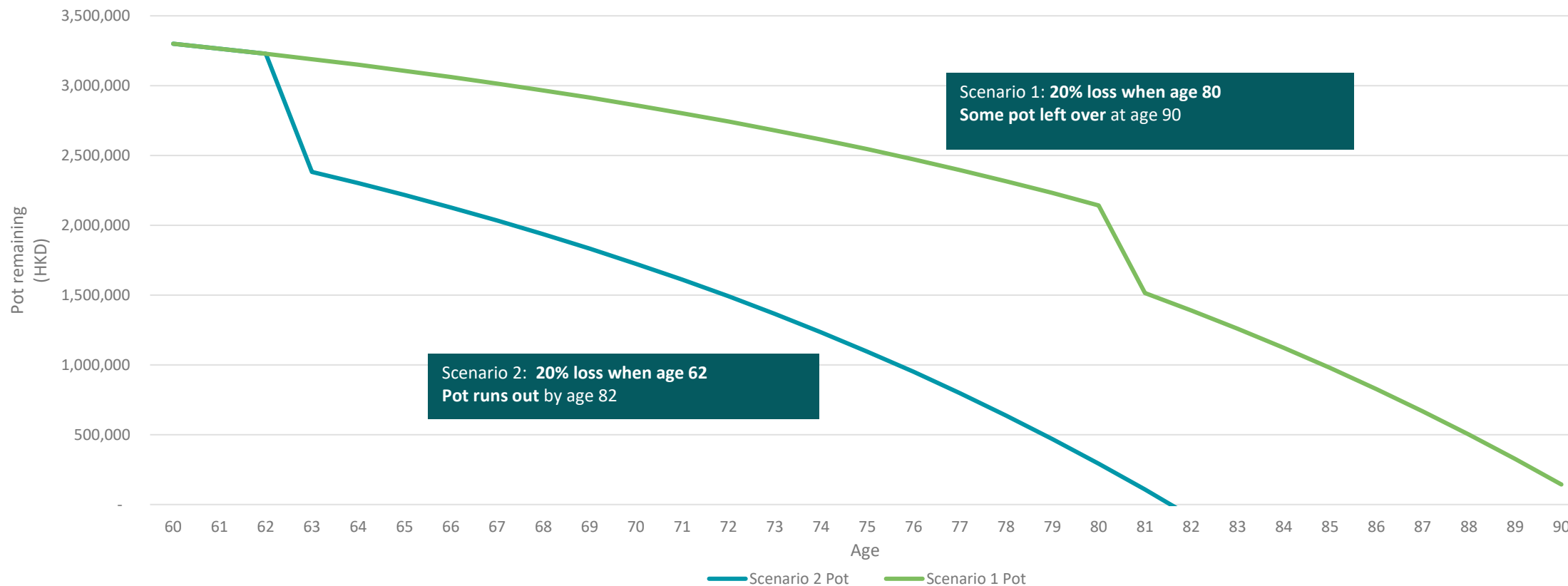
Step change in AI development and adoption

Growing power demand + renewables share increase
More fragmented supply and distribution and less predictable energy

Predictive analytics
Drug discovery
Simulation and modelling
Robotics
Autonomous vehicles

Controlling downside risk in decumulation

Diversification, flexibility and dynamic asset allocation to combat sequencing risk

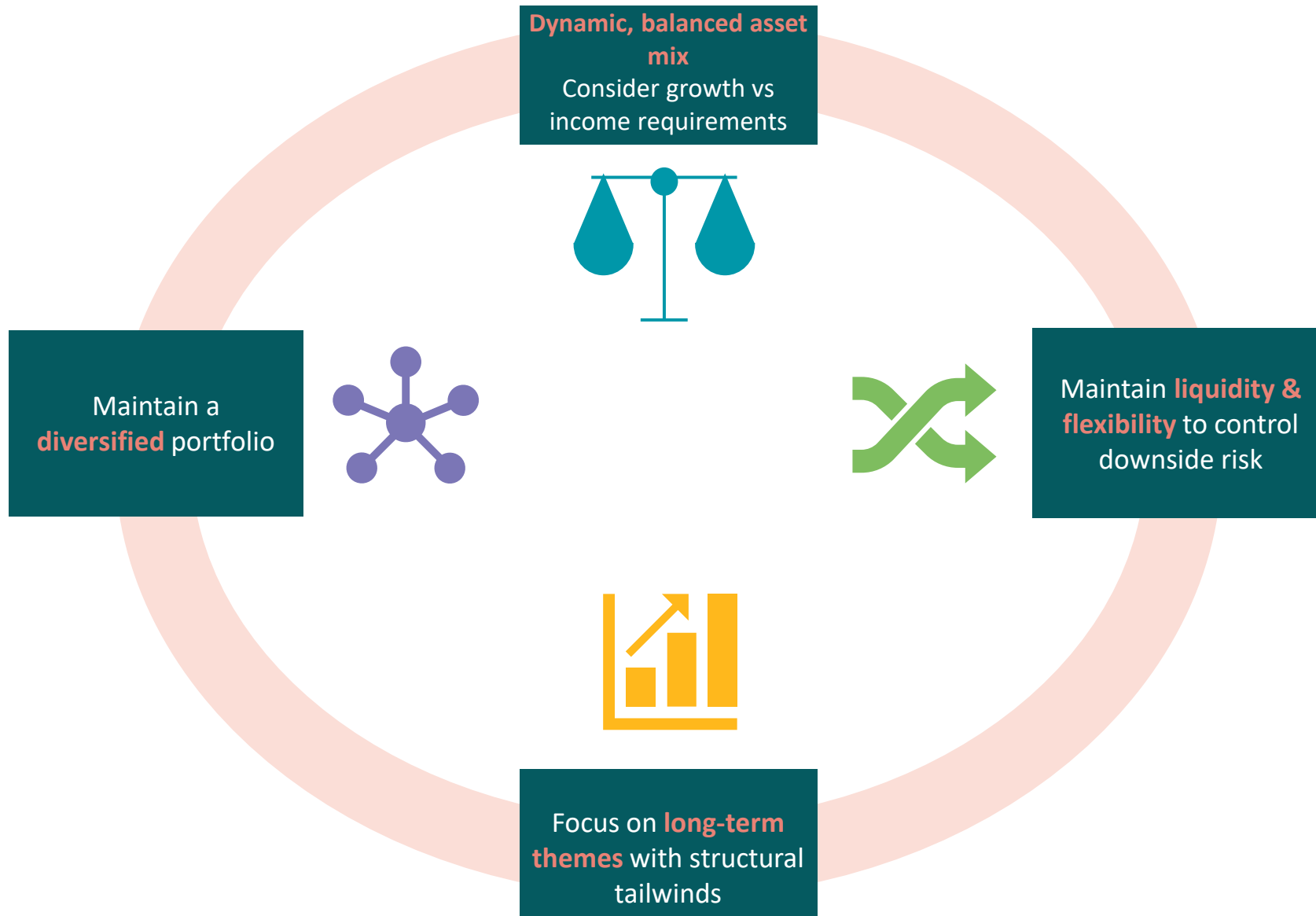


Age	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	Total return (annualised)	
Scenario 1 return	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	-20%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	4.2%
Scenario 2 return	5%	5%	-20%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	4.2%

The timing of losses can matter as much as the size

Building a resilient retirement portfolio

Key takeaways



This information does not constitute an offer or a solicitation to buy shares in any of M&G's funds.

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