Prudential Long Dated Corporate Bond S3

Aims

Objective: The investment strategy of the fund is to purchase units in the M&G PP Long-Dated Corporate Bond Fund - the underlying fund.

Underlying Fund Objective: The fund invests mainly in high quality sterling corporate bonds with over 15 years to maturity. The fund is actively managed against its benchmark, the iBoxx sterling Over 15 Years Non-Gilts Index. The fund may also hold UK government gilts and limited amounts of high yield and hedged non-sterling corporate bonds. Derivative instruments may be used for efficient portfolio fund management.

Performance Objective: To outperform the benchmark by 0.80% a year (before charges) on a rolling three year basis.

Benchmark

Benchmark	iBoxx Sterling Over 15 Years Non-Gilts Index
ABI Sector	Sterling Long Bond

Identification Codes

Sedol Code	3373204
Mex Code	PUMLDC
Isin Code	GB0033732040
Citi Code	P551

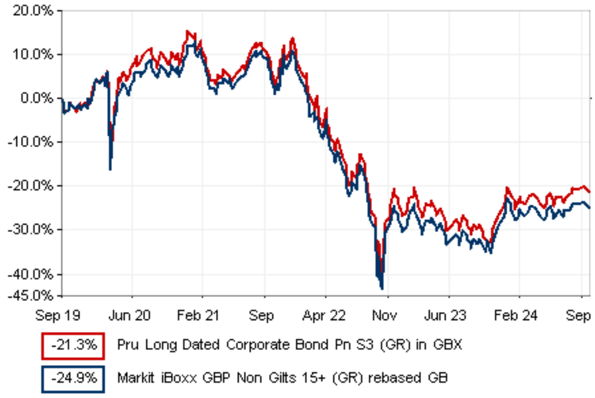
Fund Overview

Daily price (19/12/2024)	265.20
Fund size (31/10/2024)	£107.79m
Underlying Fund size	£945.97m
Number of holdings	202
Launch date	01/07/2003

Fund Charges

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

Performance



Discrete performance - to latest available quarter end

	30/09/19 to 30/09/20	30/09/20 to 30/09/21	30/09/21 to 30/09/22	30/09/22 to 30/09/23	30/09/23 to 30/09/24
Fund	8.9%	-3.3%	-35.0%	1.3%	13.6%
Benchmark	6.2%	-2.7%	-37.1%	2.8%	12.4%

Performance - to latest available quarter end

	Quarter	Annualised		
	3 2024	3 Years to 30/09/24	5 Years to 30/09/24	10 Years to 30/09/24
Fund	2.1%	-9.2%	-4.7%	2.2%
Benchmark	1.7%	-10.1%	-5.6%	1.3%

Prudential Risk Rating

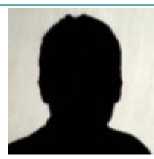
Medium Risk

These funds may invest in multi-asset strategies with a higher weighting in equities (or with significant derivative use), while funds investing mainly in property, high yield or government bonds (such as UK Gilts) are also in this category.

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.

Fund Managers

		
Name:	Jamie Hamilton	Mark Ellis
Manager of the underlying fund for:	23 years, 10 months	10 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 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 client’s investment can go down as well as up and the amount your client gets back may be less than they put in.
- This factsheet is intended for the advisers 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. You should refer to your client's 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 infomation or make any warranties regarding results from its usage.

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Portfolio data accurate as at: **31/10/24**

Top 10 Holdings

Name	% Weight	Sector	Country
1 1½% Treasury Gilt 2047	5.02%	Bonds	United Kingdom
2 1¾% Treasury Gilt 2049	4.52%	Bonds	United Kingdom
3 ELECTRICITE DE FRANCE SA MTN RegS	3.70%	Bonds	France
4 3¼% Treasury Gilt 2044	2.59%	Bonds	United Kingdom
5 1¼ % Treasury Gilt 2041	2.51%	Bonds	United Kingdom
6 THFC FUNDING NO 3 PLC MTN RegS	1.71%	Bonds	United Kingdom
7 SW (FINANCE) I PLC MTN RegS	1.49%	Non-Classified	Non-Classified
8 HSBC HOLDINGS PLC MTN RegS	1.36%	Bonds	United Kingdom
9 GDF SUEZ MTN RegS	1.23%	Bonds	France
10 MOTABILITY OPERATIONS GROUP PLC RegS	1.20%	Bonds	United Kingdom

Asset Allocation

UK Corporate Bonds	44.49%
International Bonds	33.66%
UK Gilts	16.45%
Cash and Equivalents	2.92%
Alternative Trading Strategies	0.00%
Other Assets	2.47%

Regional Allocation

UK	60.94%
Developed Europe - Excl UK	14.84%
Non-Classified	10.82%
North America	7.71%
Cash and Equivalents	2.92%
South & Central America	1.52%
Australia & New Zealand	0.97%
Japan	0.28%

Bond Sector Breakdown

Bonds	94.60%
Cash and Equivalents	2.92%
Non-Classified	2.47%

Top Country Breakdown

United Kingdom	60.94%
Non-Classified	10.82%
France	9.13%
United States	7.71%
Cash and Equivalents	2.92%
Mexico	1.52%
Netherlands	1.50%
Other Countries	5.46%

Fixed Interest Quality Profile

AAA	1.12%
AA	24.11%
A	27.10%
BBB	31.64%
Sub-Investment Grade	1.06%
Unknown Quality	9.58%
Cash and Equivalents	2.92%
Other Asset Types	2.47%

Fixed Interest Maturity Profile

< 5Yr Maturity	0.72%
5Yr - 10Yr Maturity	0.29%
10Yr - 15Yr Maturity	5.26%
> 15Yr Maturity	88.33%
Cash And Equivalents	2.92%
Unknown Maturity	2.47%

Fixed Interest Currencies

Pound Sterling	90.93%
Cash	2.92%
US Dollar	2.65%
Non-Fixed Interest Assets	2.47%
Euro	1.02%

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Commentary

Performance as at Q3 2024 - Within the span of 30 hours towards the end of July, three of the world's largest central banks – the Bank of Japan, US Federal Reserve (Fed), and the Bank of England (BoE) – all announced their eagerly-awaited interest rate decisions. In the UK, the BoE began its easing cycle with a 'hawkish' 25bps cut at the start of August and kept rates steady at 5% at the 19 September meeting. Markets are currently pricing in a further 140bps of cuts over the following 12 months as at the end of September 2024. In Japan, officials lifted rates to 0.25%, whereas in the US, Chair Powell signalled that a cut was possible as soon as September, but only if current cooling trends continued. In the weeks that followed, markets were dominated by the US '25 or 50' basis point rate cut debate which was finally settled in September with the first US rate cut of 50bps after 14 months of keeping rates on hold. With US Cpnsumer Prices Index (CPI) printing at 3.0% in July, its lowest level in over three years, weak jobs report data and unemployment rising from its low of 3.4% in April 2023 to 4.2% in August 2024, Fed officials made it clear they weren't prepared to tolerate further economic weakening, and were keen to move rates back to less restrictive levels. In Europe, the European Central Bank (ECB) held rates at their mid-July meeting however the remainder of the month saw weak Purchasing Manager Index (PMI) and inflation was a key theme throughout August with Germany’s CPI falling to +2.0% (the lowest since March 2021). This resulted in the ECB cutting rates by 25bps at their September meeting and fuelled investor confidence that they will keep cutting rates over the next few months at every meeting, rather than every other meeting. Looking ahead, despite hawkish communication from the Fed following the September cut (stressing this should not be seen as "the new pace" of easing), markets continue to price in a 35% chance of another 50bps reduction in November. The belief is that the Fed will be more aggressive, with c.70bps in cuts priced in by year-end and another 120bps priced in by the end of 2025. The '25 or 50' debate may not be over yet. Overall, the shift in investors' expectations for interest rates saw government bonds perform strongly over the quarter, with UK Gilts, US Treasuries, German Bunds and returning +2.5%, +4.8% and +3.2% respectively. Q3 24 also saw Sterling, US and European IG spreads marginally tighten by 1-4bps, with credit markets performing well as inflation softened and interest rates moved lower. Credit spreads tightened across most sectors, though the auto sector underperformed following various profit warnings which raised concerns over slowing growth. Sterling, US, European IG corporate spreads ended the quarter at 115bps, 92bps and 116bps respectively. Overall, Global IG returned 4.8%, with Sterling corporates with a more modest 2.6% total return, US corporates delivering 5.7%, European credit returning 3.3%. High Yield bonds were also supported by rate cuts and lower government bond yields, with Q3 seeing strong performance across High Yield markets. The Global HY index returned 4.9% over the quarter. Spreads tightened further, reaching historically low levels (US HY: 303bps, EU HY: 342bps), while CCC-rated distressed bonds posted solid gains. Gross issuance surged, particularly in the US, with $36.5bn raised. Market technicals remain supportive, driven by supply-demand imbalances and high carry. Year to date, Global HY has returned 8.42%, despite a year that began with concerns about recession risks.

Source: M&G

Important Information