

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
Sector	ABI Sterling Long Bond

Identification Codes

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

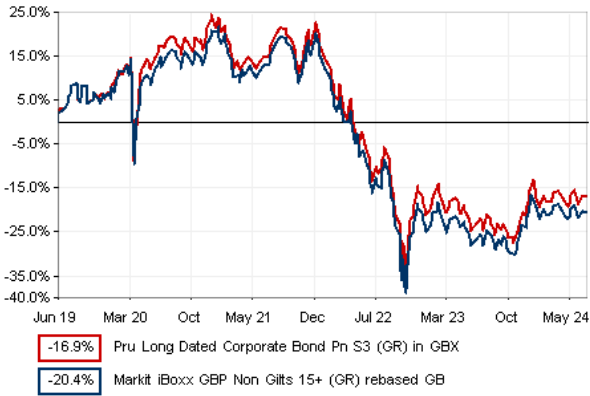
Fund Overview

Daily price (24/07/2024)	271.10
Fund size (30/06/2024)	£114.27m
Underlying Fund size	£1039.17m
Number of holdings	211
Launch date	01/07/2003

Fund Charges

Annual Management Charge (AMC)	Please refer to the "Fund Guide" for your specific pension plan
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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	17.0%	-1.0%	-24.2%	-12.0%	7.5%
Benchmark	13.9%	0.0%	-25.1%	-13.6%	8.2%

Performance - to latest available quarter end

	Quarter 2 2024	3 Years to 30/06/24	5 Years to 30/06/24	10 Years to 30/06/24
Fund	-1.9%	-10.5%	-3.6%	2.4%
Benchmark	-2.3%	-11.2%	-4.5%	1.7%

Prudential Risk Rating

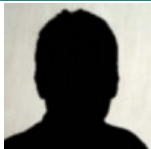
Medium Risk

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, 5 months 10 years, 4 months

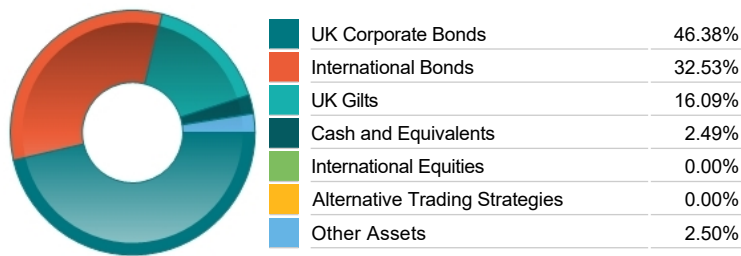
Important Information

- 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 information or make any warranties regarding results from its usage.

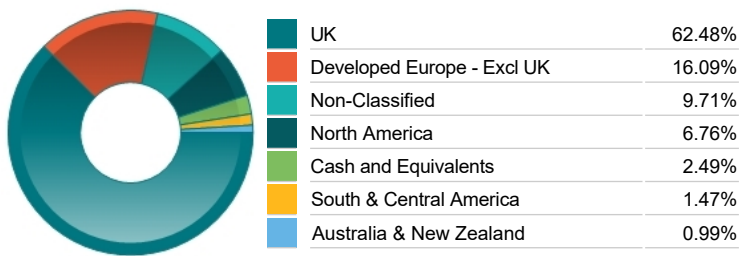
Top 10 Holdings

Name	% Weight	Sector	Country
1 1½% Treasury Gilt 2047	5.36%	Bonds	United Kingdom
2 1¼% Treasury Gilt 2049	5.26%	Bonds	United Kingdom
3 ELECTRICITE DE FRANCE SA MTN RegS	3.76%	Bonds	France
4 3¼% Treasury Gilt 2044	1.85%	Bonds	United Kingdom
5 THFC FUNDING NO 3 PLC MTN RegS	1.72%	Bonds	United Kingdom
6 HSBC HOLDINGS PLC MTN RegS	1.29%	Bonds	United Kingdom
7 GDF SUEZ MTN RegS	1.25%	Bonds	France
8 MOTABILITY OPERATIONS GROUP PLC RegS	1.22%	Bonds	United Kingdom
9 AT&T INC	1.16%	Bonds	United States
10 1¼ % Treasury Gilt 2041	1.15%	Bonds	United Kingdom

Asset Allocation



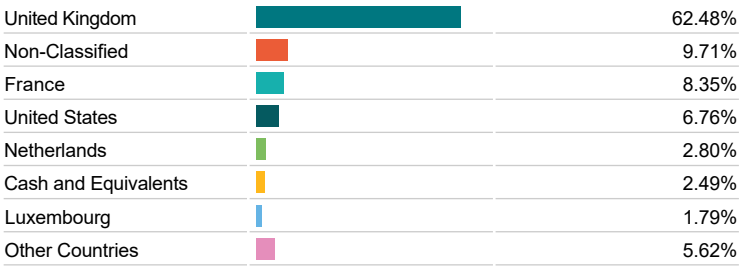
Regional Allocation



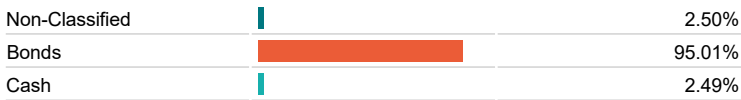
Bond Sector Breakdown



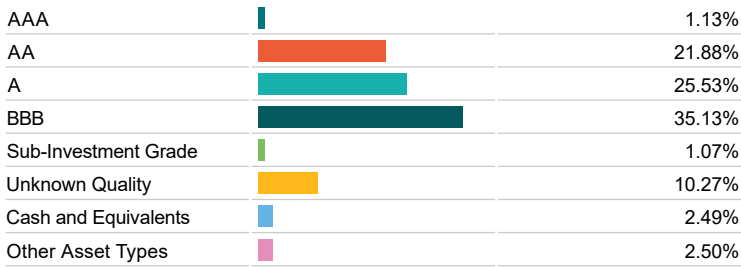
Top Country Breakdown



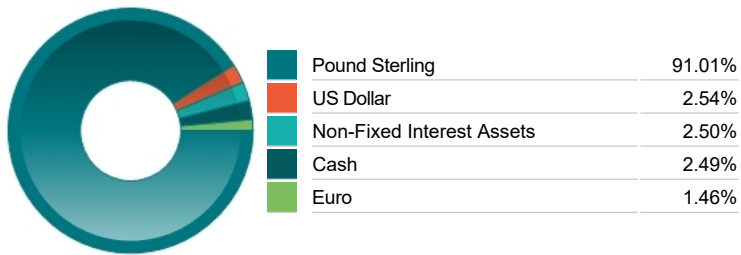
Breakdown By Market Cap (%)



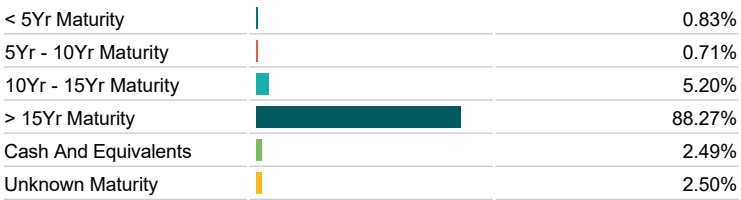
Fixed Interest Quality Profile



Fixed Interest Currencies



Fixed Interest Maturity Profile



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Commentary

Performance as at Q1 2024 - In the UK, inflation continues to be on a downward trajectory with the latest CPI figures at 3.4%, down from 4% as at the start of the year, levels which were last seen in 2021. The Bank of England held rates steady at 5.25% and with inflation levels remaining above the target of 2%, markets are now pricing in less rate cuts over the course of 2024 which saw Gilt yields increase across the curve. Higher borrowing cost have also impacted the UK housing sector, with house prices remaining flat and rent levels generally increasing as landlords look to pass on higher costs on to tenants. Sales in the retail sector proved to be stronger than expected and remained similar to that of January 2024 which is a positive sign for the UK economy despite being in a recession. Elsewhere in the UK, political uncertainty remains with Rishi Sunak continuing to face pressures from opposing parties and the public on setting a General Election date, which has to take place by the 28th of January 2025. During the first quarter, higher US inflation prints and more hawkish comments from the Fed combined with the positive growth data (US economy was shown to have grown at +3.4% in Q4 23), have provided a major boost to the S&P 500 (+10.6%), saw HY credit spreads tightening, and oil prices rising (Brent crude +13.6% on the quarter to \$87.48/bbl). Eurozone inflation continued its downward trajectory, albeit wider reflationary concerns saw the market price out between 70-100bps of interest rate cuts in 2024. The market is now pricing June '24 as the most likely timing for a first cut in the US, Europe and UK. US Treasuries (-1.0%), German Bunds (-1.4%), and UK Gilts (-1.7%) were all seen to struggle over the quarter as inflation remained persistent, and central banks pushed out the timing of rate cuts versus the start of the year. Despite the weaker period overall, March did see a more positive backdrop for sovereign bonds. Separately, March also saw two significant milestones: (i) the Bank of Japan ending their negative interest rate policy, and (ii) the Swiss National Bank being the first G10 currency to cut rates this cycle, with a 25bp cut in their policy rate to 1.50%. Q1 saw Investment Grade (IG) new issuance at record levels and strong positive market sentiment drove credit spreads tighter across markets. Spreads on EUR, GBP and US IG corporates ended the quarter 113bps (-23bps), 114 (-20bps) and 94bps (-10bps) respectively, with high beta names, cyclical and financials being the outperformers. However, given the scaling back of rate cut expectations government bond yields moved higher, leading to more muted total returns during the quarter with EUR, GBP and US IG corporates delivering +0.4%, +0.2% and -0.1% respectively (local ccy). All in yields remain historically high, offering a positive real yield for investors (EUR 3.6%, GBP 5.2%, USD 5.4%). High Yield (HY) credit fared similarly. Spread tightening (-38bps) helped the European HY credit market deliver gains of +1.7% over the quarter, with the shorter dated nature of the index negating the impact of higher rates. Most sectors delivered solid performance in March. Q1 was the busiest quarter for HY issuance in over 2 years, however, the pace moderated during March and is expected to continue along this trajectory going forward.

Source: M&G

Important Information

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