Prudential All Stocks Corporate Bond S3

Aims

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

Underlying Fund Objective: The fund invests mainly in high quality sterling corporate bonds across the range of maturities. The fund is actively managed against its benchmark, the iBoxx sterling 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 Non-Gilts Index
ABI Sector	Sterling Fixed Interest

Identification Codes

Sedol Code	3168563
Mex Code	PUCB
Isin Code	GB0031685638
Citi Code	P270

Fund Overview

Daily price (21/01/2025)	331.10
Fund size (30/11/2024)	£28.46m
Underlying Fund size	£1265.92m
Number of holdings	511
Launch date	06/04/2001

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

	31/12/19 to 31/12/20	31/12/20 to 31/12/21	31/12/21 to 31/12/22	31/12/22 to 31/12/23	31/12/23 to 31/12/24
Fund	10.4%	-3.3%	-16.8%	9.3%	3.2%
Benchmark	7.8%	-3.1%	-17.7%	8.6%	1.7%

Performance - to latest available quarter end

	Quarter	Annualised		
	4 2024	3 Years to 31/12/24	5 Years to 31/12/24	10 Years to 31/12/24
Fund	-0.7%	-2.1%	0.0%	2.7%
Benchmark	-0.5%	-3.1%	-1.0%	1.7%

Prudential Risk Rating

Lower to Medium Risk

These funds may invest in corporate bonds or multi-asset strategies with a higher weighting in corporate bonds (and other comparable strategies).

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.

You should also consider discussing your decision and the appropriateness of a fund's risk rating with an adviser.

Fund Managers

Name:	Jamie Hamilton
Manager of the underlying fund for:	23 years, 11 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 investment can go down as well as up so you might get back less than you put in.
- This factsheet is intended for the trustees, sponsors, advisers and members 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. If you are not familiar with any of the investment terminology included, then please contact an adviser. Investors should refer to their 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.

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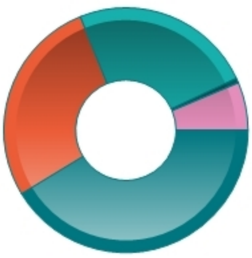
Portfolio data accurate as at: **30/11/24**

Top 10 Holdings

Name	% Weight	Sector	Country
1 ⅜% Treasury Gilt 2026	4.95%	Bonds	United Kingdom
2 ⅛% Treasury Gilt 2026	4.17%	Bonds	United Kingdom
3 4½% Treasury Gilt 2028	2.96%	Bonds	United Kingdom
4 3¼% Treasury Gilt 2044	2.34%	Bonds	United Kingdom
5 1½% Treasury Gilt 2026	1.76%	Bonds	United Kingdom
6 LCR FINANCE PLC - GTD RegS	1.23%	Bonds	United Kingdom
7 EUROPEAN INVESTMENT BANK	1.23%	Bonds	Luxembourg
8 4¼% Treasury Gilt 2039	1.19%	Bonds	United Kingdom
9 1% Treasury Gilt 2032	1.07%	Bonds	United Kingdom
10 BARCLAYS PLC RegS	0.98%	Non-Classified	Non-Classified

Asset Allocation



International Bonds	41.32%
UK Corporate Bonds	27.62%
UK Gilts	24.09%
Cash and Equivalents	0.65%
UK Equities	0.00%
Alternative Trading Strategies	0.00%
International Equities	0.00%
Other Assets	6.32%

Bond Sector Breakdown

Bonds	93.02%
Non-Classified	6.32%
Cash and Equivalents	0.65%

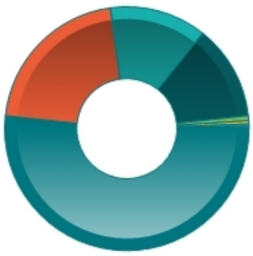
Breakdown By Market Cap (%)

Non-Classified	6.32%
Bonds	93.02%
Cash	0.65%

Fixed Interest Quality Profile

AAA	8.26%
AA	35.05%
A	21.05%
BBB	19.98%
Sub-Investment Grade	1.28%
Unknown Quality	7.39%
Cash and Equivalents	0.65%
Other Asset Types	6.32%

Regional Allocation



UK	51.71%
Developed Europe - Excl UK	21.16%
Non-Classified	12.82%
North America	12.61%
Cash and Equivalents	0.65%
Australia & New Zealand	0.43%
South & Central America	0.29%
Japan	0.21%
Middle East & Africa	0.11%

Top Country Breakdown

United Kingdom	51.71%
Non-Classified	12.82%
United States	11.20%
France	7.66%
Netherlands	4.90%
Luxembourg	3.48%
Germany	1.76%
Other Countries	6.47%

Fixed Interest Currencies

Pound Sterling	89.06%
Non-Fixed Interest Assets	6.32%
Euro	2.73%
US Dollar	1.23%
Cash	0.65%

Fixed Interest Maturity Profile

< 5Yr Maturity	47.96%
5Yr - 10Yr Maturity	17.48%
10Yr - 15Yr Maturity	10.84%
> 15Yr Maturity	16.74%
Cash And Equivalents	0.65%
Unknown Maturity	6.32%

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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, 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 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 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 PMIs 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