

**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  
Sector ABI Sterling Fixed Interest

**Identification Codes**

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

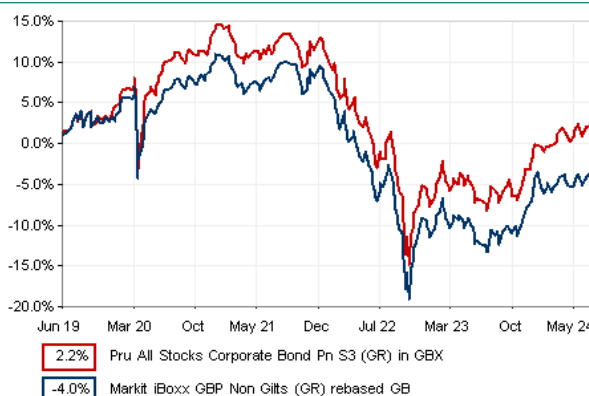
**Fund Overview**

Daily price (28/08/2024) 329.80  
Fund size (31/07/2024) £28.89m  
Underlying Fund size £1590.64m  
Number of holdings 513  
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**

	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	9.8%	1.5%	-12.2%	-5.2%	10.2%
Benchmark	6.4%	1.7%	-13.1%	-6.9%	9.7%

**Performance - to latest available quarter end**

	Quarter	Annualised		
	2 2024	3 Years to 30/06/24	5 Years to 30/06/24	10 Years to 30/06/24
Fund	0.3%	-2.8%	0.4%	3.2%
Benchmark	-0.1%	-3.9%	-0.8%	2.3%

**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, 6 months

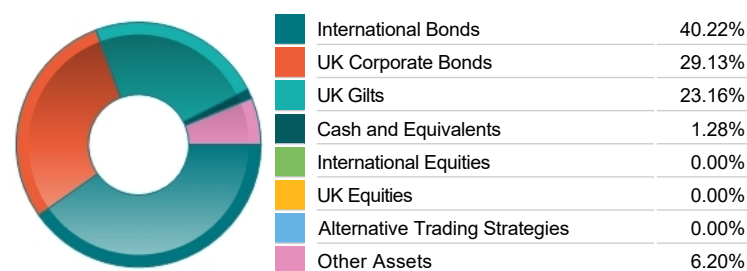
**Important Information**

- 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.

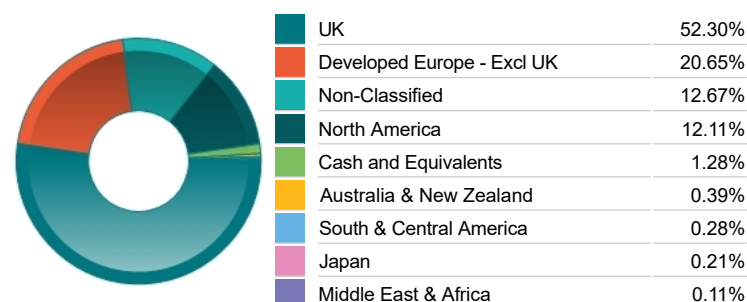
Top 10 Holdings

Name	% Weight	Sector	Country
1 3/4% Treasury Gilt 2026	3.90%	Bonds	United Kingdom
2 1/4% Treasury Gilt 2026	3.28%	Bonds	United Kingdom
3 5% Treasury Stock 2025	2.84%	Bonds	United Kingdom
4 4 1/2% Treasury Gilt 2028	2.80%	Bonds	United Kingdom
5 4 5/8% Treasury Gilt 2034	1.80%	Bonds	United Kingdom
6 3 1/4% Treasury Gilt 2044	1.46%	Bonds	United Kingdom
7 1 1/2% Treasury Gilt 2026	1.39%	Bonds	United Kingdom
8 4 1/4% Treasury Gilt 2039	1.24%	Bonds	United Kingdom
9 EUROPEAN INVESTMENT BANK	1.22%	Bonds	Luxembourg
10 LCR FINANCE PLC - GTD RegS	1.21%	Bonds	United Kingdom

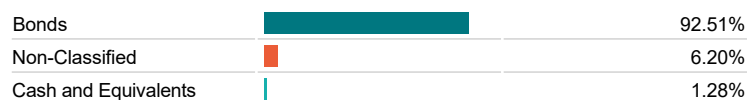
Asset Allocation



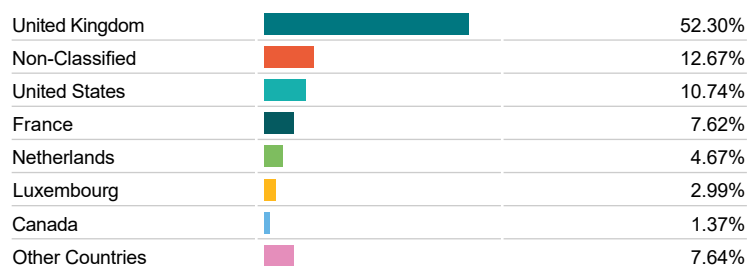
Regional Allocation



Bond Sector Breakdown



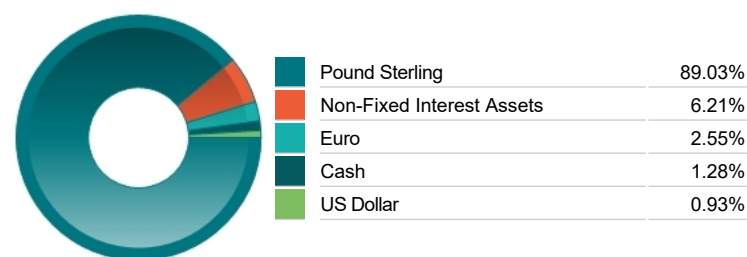
Top Country Breakdown



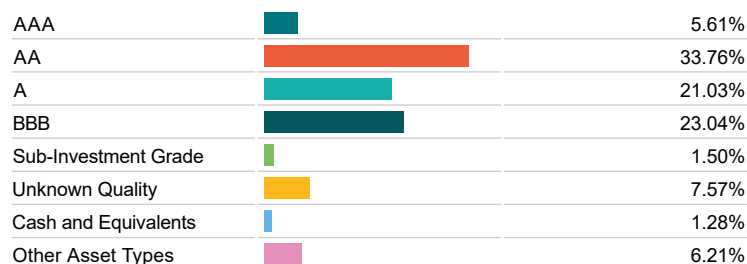
Breakdown By Market Cap (%)



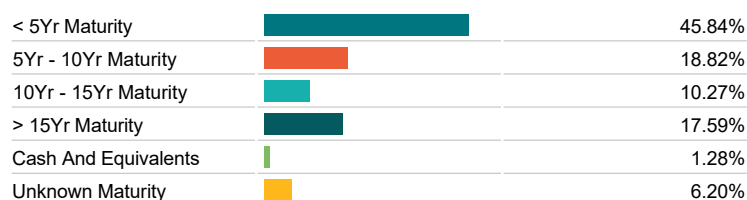
Fixed Interest Currencies



Fixed Interest Quality Profile



Fixed Interest Maturity Profile



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## Commentary

Performance as at Q2 2024 - Q2 saw four developed market central banks (the ECB, BoC, Riksbank, and the SNB) commence their respective rate cutting journeys, with the BoE expected to join in August as headline CPI returned to its target of 2.0% YoY in May. In the UK housing market, mortgage approvals declined as a consequence of higher borrowing costs, however, house prices surprisingly increased following the market stabilising ahead of the BoE's expected rate cuts. The anticipated rate cuts has increased competition amongst mortgage providers, cutting borrowing costs across a range of residential products and other providers are expected to follow. Elsewhere in the UK, British retail sales appeared stronger than expected during the second quarter, driven by increased consumer confidence and slowing levels of inflation. As central banks across major developed markets begin to cut rates, it positions the Fed as one of the last to embark on the 'easing train', with rate cutting pace across the board expected to be gradual as inflation remains ahead of central banks' targets in most regions (except for Switzerland, which has seen two rate cuts so far). In particular, US CPI in May showed the lowest monthly core CPI reading since August 2021 at 3.4% YoY, with core PCE (the Fed's preferred inflation gauge) increasing 0.08% MoM in May to 2.6% YoY, the softest reading since November 2020. These figures helped cement expectations that rate cuts were still on the horizon from the Federal Reserve, but suggest that more evidence of disinflation will be needed to gain confidence that inflation is moving back to the 2% target. Despite the lowering of policy rates in Europe, the fallout from the European parliamentary elections and subsequent announcement of snap French legislative elections saw European sovereign yields rise, with the Franco-German 10-year spread widening by +29bps to 80bps in Q2 - the biggest quarterly widening since Q4 2011, when the Euro sovereign crisis was ongoing. In the Investment Grade (IG) market, spreads finally widened in June after tightening for most of the year, with the sell-off being attributed to several factors, including the weaker economic data and political risks in France. Despite the widening spreads, total returns have remained generally positive, driven by the duration component as yields fell. GBP IG generated a total return of 0.6% over the month, with USD and EUR up at 0.7% and 0.8% respectively. The GBP IG corporate index offers a spread of 99 basis points, +3bps wider versus end of May. June was also a positive month for high yield markets, with carry and tighter rates driving returns. Global HY index delivered 0.91% thanks to the rally in government bond yields that followed the news of softer US inflation and the first rate cut from the ECB. However, French election uncertainty weighed on spread performance and Euro HY markets lagged (0.54%) their US (0.97%) counterparts.

Source: M&G

## Important Information

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