

Aims

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

Underlying Fund Objective: The fund invests in all the major government bond markets outside the UK with principal holdings in the US, Japan and Europe. The fund is actively managed against its benchmark, the Barclays Global Aggregate Treasury Custom Over \$3bn Index. Both active stock selection and asset allocation are used to add value.

Performance Objective: To outperform the benchmark by 0.75% a year (before charges) on a rolling three year basis.

Benchmark

Benchmark	Barclays Global Aggregate Treasury Custom > \$3bn
Sector	ABI Global Fixed Interest

Identification Codes

Sedol Code	3168615
Mex Code	PUIBD
Isin Code	GB0031686156
Citi Code	P278

Fund Overview

Daily price (18/04/2024)	277.10
Fund size (29/02/2024)	£2.31m
Underlying Fund size	£2.41m
Number of holdings	27
Launch date	06/04/2001

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

	31/03/19 to 31/03/20	31/03/20 to 31/03/21	31/03/21 to 31/03/22	31/03/22 to 31/03/23	31/03/23 to 31/03/24
Fund	11.4%	-7.2%	0.8%	3.0%	-5.1%
Benchmark	11.1%	-8.8%	-2.9%	-2.7%	-4.3%

Performance - to latest available quarter end

	Quarter 1 2024	3 Years to 31/03/24	5 Years to 31/03/24	10 Years to 31/03/24
Fund	-2.8%	-0.5%	0.4%	3.4%
Benchmark	-2.0%	-3.3%	-1.7%	1.9%

Prudential Risk Rating

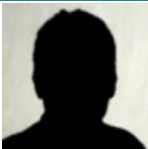
Medium Risk

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: David Lloyd
Manager of the underlying fund for: 15 years, 3 months

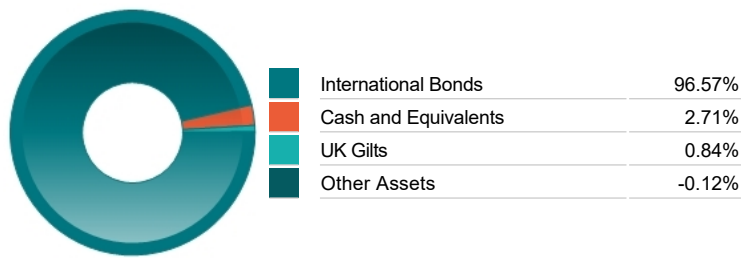
Important Information

- 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.

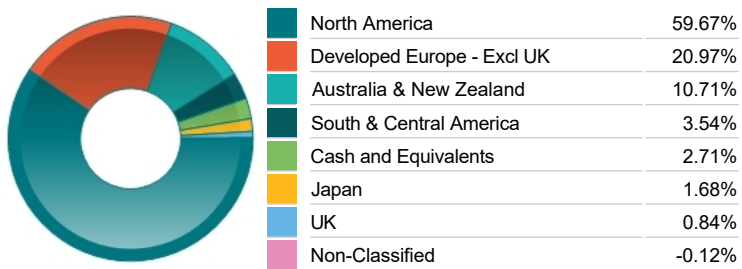
Top 10 Holdings

Name	% Weight	Sector	Country
1 TREASURY NOTE	18.64%	Bonds	United States
2 TREASURY NOTE	13.65%	Bonds	United States
3 KFW	8.50%	Bonds	Germany
4 CANADA (GOVERNMENT OF)	6.11%	Bonds	Canada
5 TREASURY (CPI) NOTE	5.86%	Bonds	United States
6 NEW ZEALAND (GOVERNMENT OF)	4.54%	Bonds	New Zealand
7 CAD/JPY	4.50%	Non-Classified	Non-Classified
8 ITALY (REPUBLIC OF) MTN RegS	4.46%	Bonds	Italy
9 NORWAY (KINGDOM OF)	4.12%	Bonds	Norway
10 TREASURY BOND	3.79%	Bonds	United States

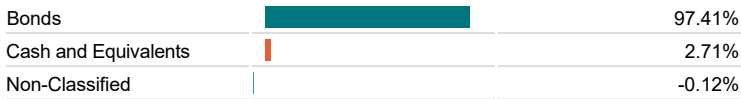
Asset Allocation



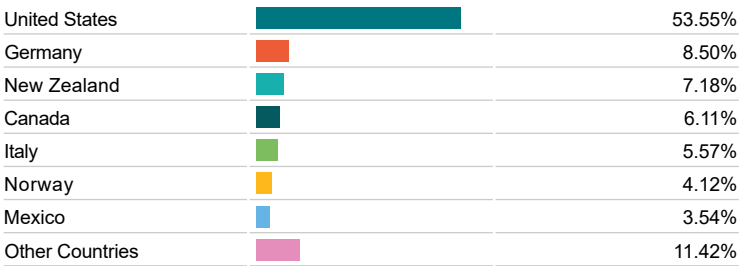
Regional Allocation



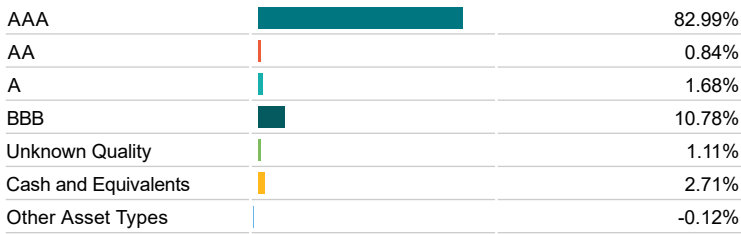
Bond Sector Breakdown



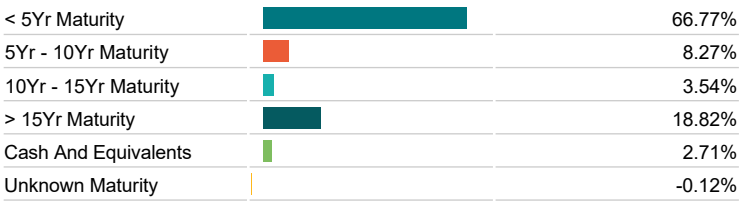
Top Country Breakdown



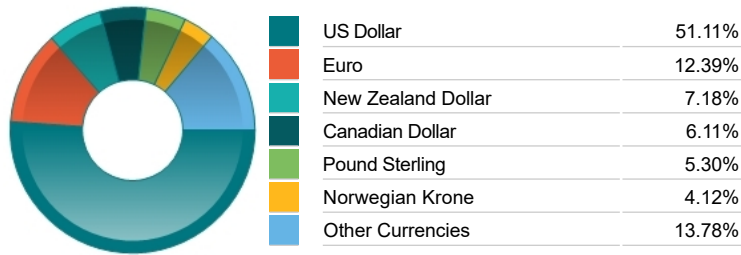
Fixed Interest Quality Profile



Fixed Interest Maturity Profile



Fixed Interest Currencies



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Commentary

Performance as at Q4 2023 - The quarter began with concerns over geopolitical risk following conflict breaking out in the Middle East and fears that this may spread into the wider region, which led to a risk off tone. The economic data continued to come in relatively strong, particularly from the US, adding to fears of higher rates for longer. November and December saw a major rally in markets off the back of fresh hopes of a soft landing and potential central bank cuts on the horizon. The rally was triggered initially by less aggressive tones from the Federal Open Market Committee meeting at the start of November, followed by the Federal Reserve's (Fed) December dot plot which took investors by surprise with a far more aggressive tone of 75bps of rate cuts being signalled for 2024. In turn, investors' expectations for inflation returning to target without a recession grew and this rhetoric was further supported by economic data through to year end. Europe saw a similar story, with supportive data and European Central Bank cuts being largely priced in by April 2024. Inflation continues to trend in the right direction, reflecting the decline in the money supply. However, the path back to target will not be a straightforward one, with wages continuing to add to the inflationary pressure. We may also see some Fed push back given that the rally has loosened financial conditions somewhat. In the UK, CPI slowed to 3.9%, down from 6.7% at the start of the quarter. Core inflation has also fallen from 6.1% at the start of the quarter down to 5.1%. Whilst monetary policy is having the desired effect on inflation, there are concerns around the UK heading into a technical recession. After the UK economy delivered negative GDP growth in Q3 2023, output also decreased for the month of October. With both inflation and productivity falling, markets are now expecting the Bank of England to cut rates in 2024. Rates are also impacting UK house prices which suffered over the course of 2023, however, prices between November and December appears to be flat with cash buyers limiting the price decline. As we enter 2024, the UK is expected to have a general election in the second half of the year which may cause volatility in both sovereign and corporate bond markets. This backdrop resulted in the Bloomberg Global Bond Aggregate Index gaining +5.0% in November and +4.2% in December. The Q4 rally reversed the trajectory for fixed income in 2023, where at the end of September portions of the fixed income market were facing the prospect of a third successive year of negative returns. Investment Grade (IG) credit performed strongly with spreads tightening and rates falling. The spread on the Global IG index tightened approximately 19bps, with high beta names, cyclical, financials and BBBs being the outperformers. Total returns during the quarter for EUR, GBP and US IG corporates were +5.5%, +7.4% and +7.9% respectively. All in yields remain historically high, offering a positive real yield for investors. High Yield (HY) credit fared similarly. Lower sovereign bond yields and spread tightening (-53bps) helped the Global HY credit market deliver gains of +6.6% over the quarter, bringing total returns to +12.5% for the year. On an annual basis, US HY (+13.5%) slightly outperformed European HY (+12%), predominantly driven by its marginally longer duration. Whilst there has been much talk of soft landings, there is always the spectre of an unforeseen event - financial or geopolitical - which could spark future bond market volatility or even a sharp turn in monetary policy. There are a significant number of elections coming up across the globe in 2024 and this may be the first time that many company executives have faced a period of high financing costs. We believe that a patient and highly selective approach to fixed income investment is the best strategy to take advantage of opportunities in today's market.

Source: M&G

Important Information

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