

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 (17/03/2026) 350.60
 Fund size (31/01/2026) £30.47m
 Underlying Fund size £306.29m
 Number of holdings 478
 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

	31/12/20 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	31/12/24 to 31/12/25
Fund	-3.3%	-16.8%	9.3%	3.2%	6.9%
Benchmark	-3.1%	-17.7%	8.6%	1.7%	6.9%

Performance - to latest available quarter end

	Quarter	Annualised		
	4 2025	3 Years to 31/12/25	5 Years to 31/12/25	10 Years to 31/12/25
Fund	2.7%	6.4%	-0.6%	3.4%
Benchmark	2.6%	5.7%	-1.2%	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.

Fund Managers



Name: Jamie Hamilton
 Manager of the underlying fund for: 25 years, 1 months

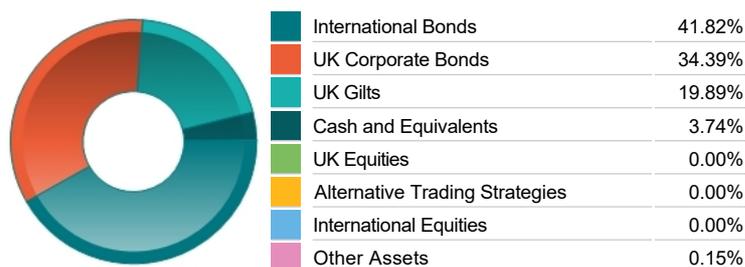
Important Information

- 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.

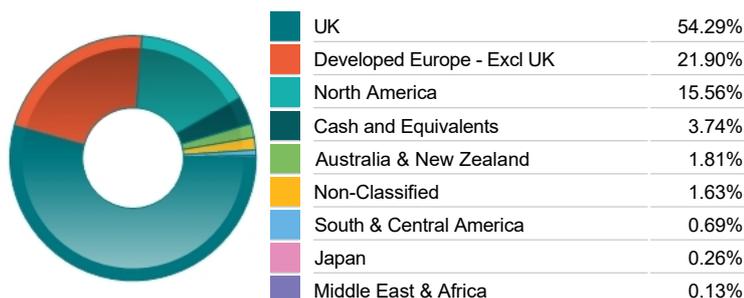
Top 10 Holdings

Name	% Weight	Sector	Country
1 4¼% Treasury Gilt 2027	2.38%	Bonds	United Kingdom
2 3¼% Treasury Gilt 2044	2.34%	Bonds	United Kingdom
3 4½% Treasury Gilt 2028	2.27%	Bonds	United Kingdom
4 4% Treasury Gilt 2034	1.92%	Bonds	United Kingdom
5 4½% Treasury Gilt 2029	1.62%	Bonds	United Kingdom
6 1¼ % Treasury Gilt 2041	1.33%	Bonds	United Kingdom
7 4¼% Treasury Gilt 2039	1.23%	Bonds	United Kingdom
8 ¼% Treasury Gilt 2031	1.19%	Bonds	United Kingdom
9 4¼% Treasury Gilt 2030	1.06%	Bonds	United Kingdom
10 LCR FINANCE PLC - GTD RegS	1.04%	Bonds	United Kingdom

Asset Allocation



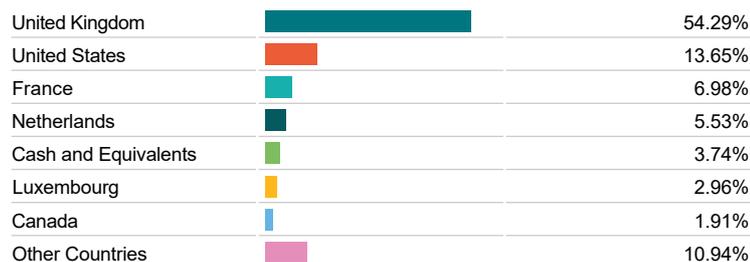
Regional Allocation



Bond Sector Breakdown



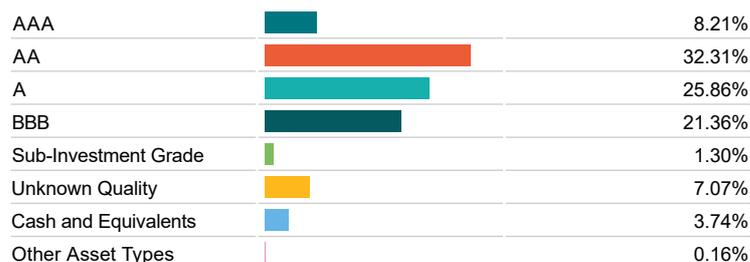
Top Country Breakdown



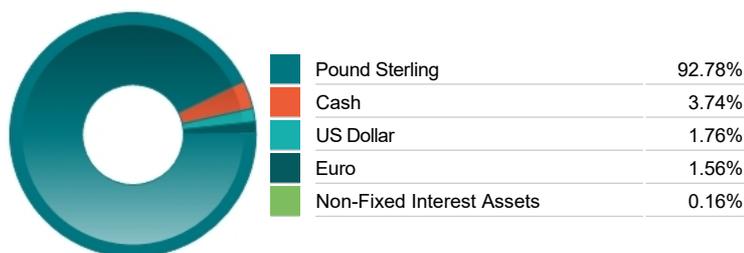
Breakdown By Market Cap (%)



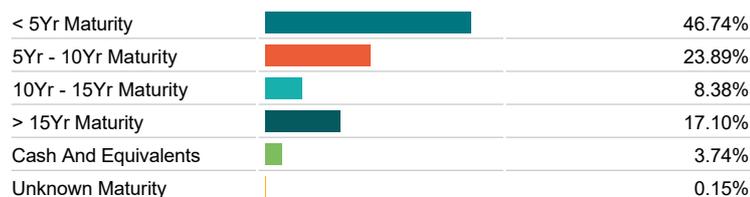
Fixed Interest Quality Profile



Fixed Interest Currencies



Fixed Interest Maturity Profile



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Commentary

Performance as at Q4 2025 -UK inflation remained higher than in many developed markets during the quarter. In August, CPI rose 3.8% year-on-year, with services inflation above 4.5% due to strong wage growth. Markets reacted quickly by pricing in rate cuts, pushing gilt yields lower and weakening sterling. Inflation eased through the autumn, reaching 3.2% by November, though forecasts indicate the Bank of England may not meet its 2% target until 2027. The Bank reduced rates again in December to 3.75%, its fourth cut of 2025, in response to weak growth and a softening labour market. UK gilts returned 5.04% over the year and remain attractive heading into 2026.

In Europe, the European Central Bank (ECB) kept rates unchanged throughout the quarter, signalling the end of its cutting cycle after lowering the deposit rate to 2.00% in June. Inflation has fallen rapidly to around 2%, and policy is now considered restrictive enough. Focus has shifted from inflation to slower economic activity: Germany and Italy stagnated, while France and Spain posted modest gains supported by services and tourism. November brought little change, with inflation on target and growth subdued. In December, European government bonds weakened on concerns about fiscal sustainability—particularly after Germany suspended its debt brake and increased defence spending. The ECB now expects euro area growth of 1.2% in 2026 and inflation just below 2%. European government bonds ended the year with negative total returns.

The US economy softened slightly through the quarter. Job creation slowed, and unemployment rose to 4.6% in November. Inflation remained contained, with headline CPI stable near 2.7% and core inflation between 2.6% and 3%. Despite this, economic activity showed resilience: Q3 GDP expanded at an annualised 4.3% due to strong consumer spending. The Federal Reserve cut rates again in December by 25bps to 3.50%–3.75%, marking its third consecutive cut and reflecting a more cautious outlook. Near-term growth expectations remain constructive, with early estimates suggesting Q4 GDP of around 3%. Ten-year Treasury yields ended the year at roughly 4.18%, with full-year returns still being finalised.

Across credit markets, investment-grade corporate bond spreads stayed broadly stable in Europe and the UK and widened slightly in the US. Spreads closed at 78bps (Euro), 80bps (UK) and 79bps (US). Total returns were positive across all regions: +0.25% in Euro IG, +2.73% in UK IG, and +0.77% in US IG. Government bond markets produced mixed results over the quarter: UK Gilts and US Treasuries outperformed with returns of +3.22% and +0.74% respectively, while Euro government bonds declined by -0.54%

High-yield markets followed a similar pattern. Spreads ended the quarter at 264bps in Europe and 281bps in the US, with US spreads widening slightly more. Total returns were positive in both regions: +0.60% for Euro high yield and +1.35% for US high yield, with the latter once again outperforming.

Source: M&G

Important Information

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