

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 (04/09/2025)	341.00
Fund size (31/07/2025)	£29.15m
Underlying Fund size	£684.14m
Number of holdings	512
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

	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	30/06/24 to 30/06/25
Fund	1.5%	-12.2%	-5.2%	10.2%	5.5%
Benchmark	1.7%	-13.1%	-6.9%	9.7%	5.4%

Performance - to latest available quarter end

	Quarter 2 2025	3 Years to 30/06/25	5 Years to 30/06/25	10 Years to 30/06/25
Fund	2.5%	3.3%	-0.3%	3.1%
Benchmark	2.8%	2.5%	-1.0%	2.1%

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: 24 years, 7 months

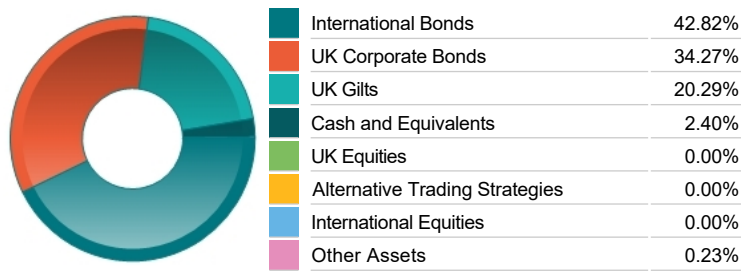
Important Information

- 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.

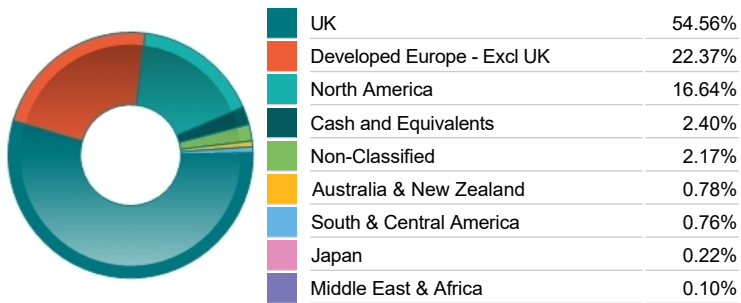
Top 10 Holdings

Name	% Weight	Sector	Country
1 3¼% Treasury Gilt 2044	3.42%	Bonds	United Kingdom
2 4% Treasury Gilt 2034	2.30%	Bonds	United Kingdom
3 4½% Treasury Gilt 2028	2.17%	Bonds	United Kingdom
4 4¼% Treasury Gilt 2029	2.09%	Bonds	United Kingdom
5 4¼% Treasury Gilt 2027	2.00%	Bonds	United Kingdom
6 4 1/2 Treasury 2034	1.66%	Bonds	United Kingdom
7 1% Treasury Gilt 2032	1.62%	Bonds	United Kingdom
8 4¾% Treasury Gilt 2030	1.25%	Bonds	United Kingdom
9 LCR FINANCE PLC - GTD RegS	1.22%	Bonds	United Kingdom
10 4¼% Treasury Stock 2032	1.19%	Bonds	United Kingdom

Asset Allocation



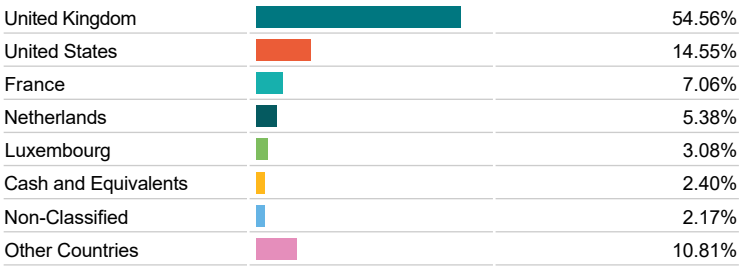
Regional Allocation



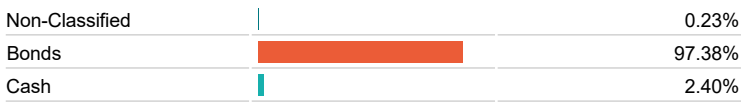
Bond Sector Breakdown



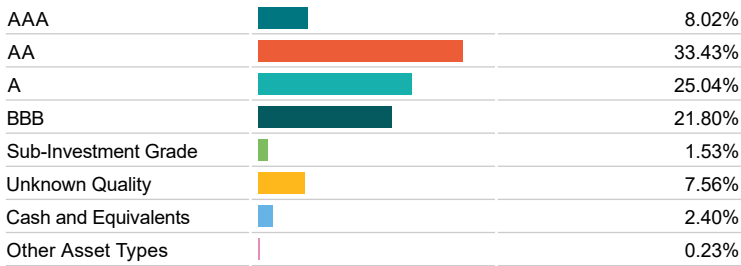
Top Country Breakdown



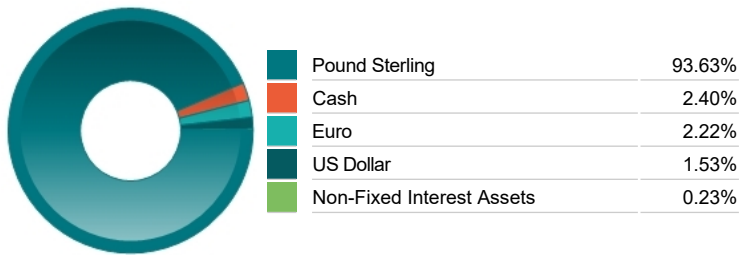
Breakdown By Market Cap (%)



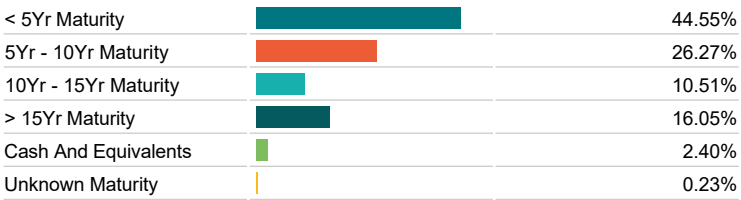
Fixed Interest Quality Profile



Fixed Interest Currencies



Fixed Interest Maturity Profile



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- The Industry Classification Benchmark is a product of FTSE International Limited and has been licensed for use.

Commentary

Performance as at Q2 2025- The second quarter of 2025 was marked by heightened market volatility, largely driven by geopolitical developments and monetary policy shifts. President Trump's announcement of broad tariffs on 2 April, dubbed 'Liberation Day', sparked initial market disruption. However, inflationary pressures from these tariffs have yet to materialise. US core inflation remained steady at 2.8% year-on-year in April and May. Central banks responded cautiously. The Bank of England (BoE) reduced its base rate by 25bps to 4.25% in May and held it steady in June, citing signs of a softening labour market. The European Central Bank (ECB) cut rates twice, ending the quarter at 2.15%, while the Federal Reserve maintained its target range at 4.25%–4.5% for the fourth consecutive meeting. The Bank of Japan also held rates at 0.5%, the highest since 2008, amid ongoing global uncertainty.

UK inflation remained elevated, easing slightly from 3.5% in April to 3.4% in May. UK government bonds (gilts) outperformed US Treasuries and German bunds, with the 10-year gilt yield falling from 4.7% to 4.5%. However, Chancellor Rachel Reeves' announcement of £2 trillion in future public spending led to a temporary spike in gilt yields, reflecting investor concerns over fiscal sustainability and potential tax increases. Short and medium-dated gilts outperformed longer maturities, while inflation-linked gilts lagged.

In Europe, bond markets benefited from US-driven volatility, with Italian BTPs returning 2.9% in euros. Greek and Spanish bonds also performed well, supported by improving fiscal profiles. European growth faces headwinds from US tariffs, including a 10% universal rate and sector-specific levies set to resume in July. Bunds rose 1.2% but were outpaced by BTPs, French OATs, and Spanish bonds.

In the US, Treasuries gained 0.8%, with the 10-year yield ending at 4.2%. The quarter began with a sharp sell-off following tariff announcements, with the 30-year yield briefly exceeding 5% before easing after a 90-day pause. Moody's downgraded the US credit rating due to fiscal concerns, exacerbated by the proposed \$3.3 trillion tax bill. Despite policy uncertainty, the US economy showed resilience, and inflation remained contained.

Investment grade (IG) corporate bond spreads were volatile, widening sharply in April before tightening by quarter-end. EUR and USD IG spreads peaked at 125bps/121bps before ending at 91bps/86bps. GBP IG spreads followed a similar pattern, closing at 96bps after peaking at 130bps. This supported strong total returns: EUR IG +1.65%, US IG +2.02%, UK IG +3.07%. The Fund participated in euro-denominated deals from SES (Telecoms), Fluxys (Energy), and Prysmian (Technology), all offering attractive levels. While spreads narrowed, value remained selective.

The Fund maintained a conservative stance, keeping overall credit risk below benchmark levels. Managers believe current valuations do not fully reflect prevailing risks. High yield (HY) spreads tightened across regions, with US HY narrowing by 35bps to 296bps and European HY by 16bps to 310bps. This led to strong quarterly returns: US HY +3.51%, Europe HY +1.91%. Year-to-date, US HY returned +4.55% versus Europe HY +2.75%. Looking ahead, the potential for further geopolitical or financial shocks remains. The Fund Managers continue to favour a patient and selective approach to fixed income, aiming to capture opportunities while managing risk. The Fund underperformed its benchmark by 0.27% in Q2 2025. Sector allocation detracted, particularly due to an underweight in Industrials. Security selection also impacted performance negatively, with underweights in Vodafone, HSBC, and UK Power Networks. Positive contributions came from overweight positions in Bank of America, SES, Royal London, and Motability.

Source: M&G

Important Information

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