

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
ABI Sector	Global Fixed Interest

Identification Codes

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

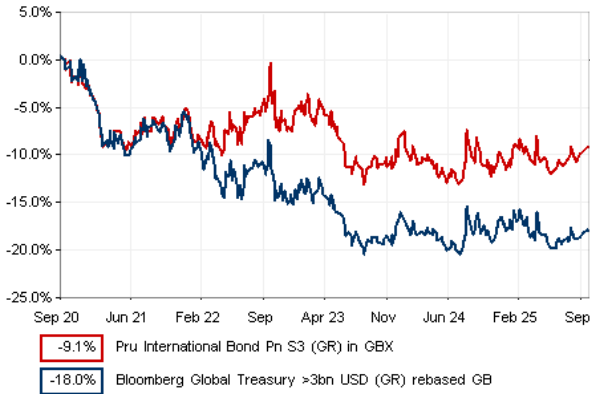
Fund Overview

Daily price (26/09/2025)	283.40
Fund size (31/08/2025)	£1.73m
Underlying Fund size	£1.70m
Number of holdings	38
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

	30/09/20 to 30/09/21	30/09/21 to 30/09/22	30/09/22 to 30/09/23	30/09/23 to 30/09/24	30/09/24 to 30/09/25
Fund	-6.0%	2.5%	-7.0%	-0.6%	2.0%
Benchmark	-6.9%	-4.7%	-8.2%	0.2%	0.6%

Performance - to latest available quarter end

	Quarter 3 2025	3 Years to 30/09/25	5 Years to 30/09/25	10 Years to 30/09/25
Fund	2.3%	-1.9%	-1.9%	3.0%
Benchmark	1.8%	-2.6%	-3.9%	1.5%

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.

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

Fund Managers



Name: Robert Burrows
Manager of the underlying fund for: 2 years, 4 months

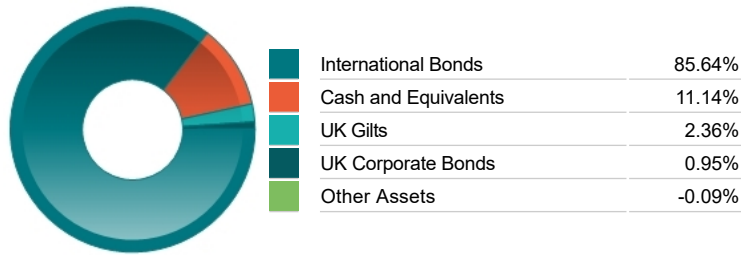
Important Information

- 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.

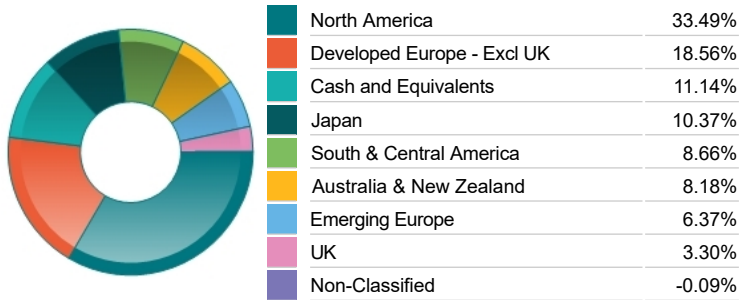
Top 10 Holdings

Name	% Weight	Sector	Country
1 TREASURY NOTE	9.47%	Bonds	United States
2 TREASURY (CPI) NOTE	8.76%	Bonds	United States
3 JAPAN (GOVERNMENT OF) 2YR #462	7.25%	Bonds	Japan
4 TREASURY NOTE	6.65%	Bonds	United States
5 NORWAY KINGDOM OF (GOVERNMENT)	6.52%	Bonds	Norway
6 ITALY (REPUBLIC OF) MTN RegS	6.22%	Bonds	Italy
7 CZECH REPUBLIC	4.94%	Bonds	Czech Republic
8 MEXICO (UNITED MEXICAN STATES) (GO	4.45%	Bonds	Mexico
9 MEXICO (UNITED MEXICAN STATES) (GO MTN	4.21%	Bonds	Mexico
10 EUR/NOK	3.92%	Non-Classified	Non-Classified

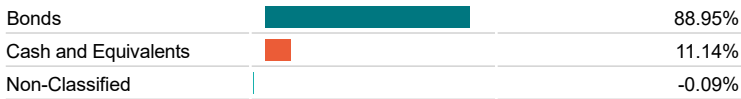
Asset Allocation



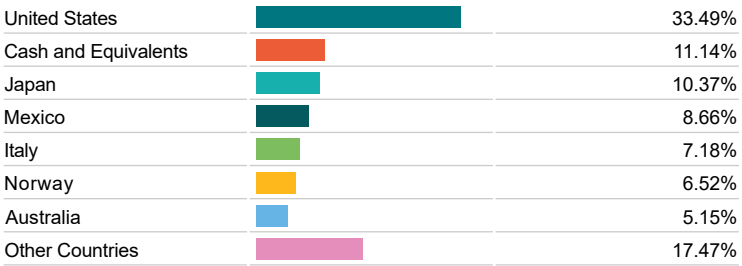
Regional Allocation



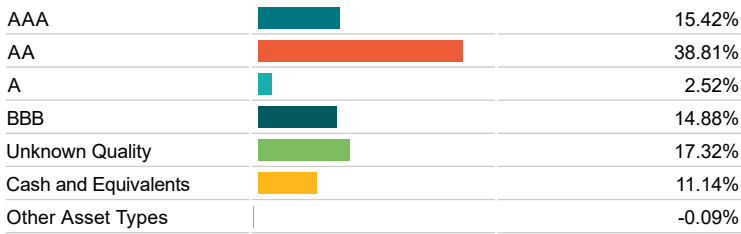
Bond Sector Breakdown



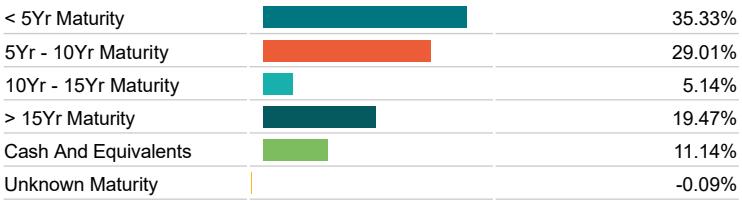
Top Country Breakdown



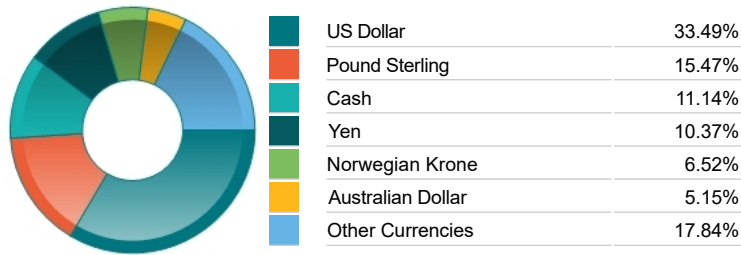
Fixed Interest Quality Profile



Fixed Interest Maturity Profile



Fixed Interest Currencies



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- 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 defined by elevated market volatility, largely driven by geopolitical developments, most notably President Trump's tariff announcements on 2 April, referred to as 'Liberation Day'. Despite fears of trade disruption, inflationary effects from these tariffs have not yet materialised, with US core inflation remaining steady at 2.8% year-on-year in both April and May.

Central banks responded with caution. The European Central Bank cut interest rates in both May and June, ending the quarter at 2.15%, down from 2.65%, following revised inflation forecasts. The Federal Reserve held rates steady at 4.25%–4.5% for the fourth consecutive meeting, despite political pressure for cuts. The Bank of England reduced its base rate from 4.5% to 4.25% in May and maintained that level in June, citing signs of a softening labour market. Meanwhile, the Bank of Japan kept its rate unchanged at 0.5%, the highest since 2008, reflecting a cautious stance amid global uncertainty.

In the UK, inflation remained relatively elevated, easing slightly from 3.5% in April to 3.4% in May. UK government bonds (gilts) performed well, outperforming US Treasuries and German bunds in local currency terms. The yield on the 10-year gilt fell from 4.7% to 4.5%. However, Chancellor Rachel Reeves' announcement of £2 trillion in future public spending raised concerns about fiscal sustainability, briefly pushing gilt yields higher. Short and medium-dated gilts outperformed longer maturities, while inflation-linked gilts lagged.

European bond markets benefited from US-driven volatility, as investors sought alternative assets. Italian government bonds (BTPs) were standout performers, returning 2.9% in euros. Greek and Spanish bonds also saw positive returns, supported by stabilising fiscal profiles. However, Europe faces potential growth headwinds from renewed US tariffs, including a 10% universal rate and additional levies on automobiles, steel, and aluminium, set to resume in July. Bunds rose 1.2% but were outperformed by BTPs, French OATs, and Spanish bonds.

In the US, government bonds posted modest gains despite considerable political and fiscal uncertainty. US Treasuries rose 0.8%, with the 10-year yield ending the quarter at 4.2%.

The quarter began with a sharp sell-off following the tariff announcements, with the 30-year yield briefly surpassing 5% before easing after a 90-day tariff pause. Moody's downgraded the US credit rating due to concerns over the fiscal outlook, which was further strained by the proposed \$3.3 trillion tax bill. Despite these pressures, the US economy remained resilient, and inflationary effects from tariffs have yet to emerge.

Corporate bond markets experienced volatility early in the quarter, with spreads widening sharply before tightening by the end of June. Investment grade spreads in EUR and USD markets peaked at 125bps and 121bps respectively, before rallying to 91bps and 86bps. GBP spreads followed a similar pattern, ending the quarter at 96bps after peaking at 130bps. This tightening supported strong total returns across IG markets: EUR IG returned 1.65%, US IG 2.02%, and UK IG 3.07%.

Government bonds also rallied across regions, with returns of 1.31% in Europe, 1.06% in the US, and 2.22% in the UK. High yield spreads also tightened across all regions. US HY narrowed by 35bps to 296bps, while European HY tightened by 16bps to 310bps. This led to strong quarterly returns, with US HY up 3.51% and European HY up 1.91%.

Year-to-date, US HY returned 4.55% compared to 2.75% for European HY.

Looking ahead, the potential for further geopolitical or financial shocks remains. In this environment, a patient and selective approach to fixed income investment is considered the most prudent strategy to identify opportunities while managing risk.

Source: M&G

Important Information

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