

Aims

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

**Underlying Fund Objective:** The fund invests mainly in high quality sterling corporate bonds with over 15 years to maturity. The fund is actively managed against its benchmark, the iBoxx sterling Over 15 Years 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 Over 15 Years Non-Gilts Index
Sector	ABI Sterling Long Bond

Identification Codes

Sedol Code	3373204
Mex Code	PUMLDC
Isin Code	GB0033732040
Citi Code	P551

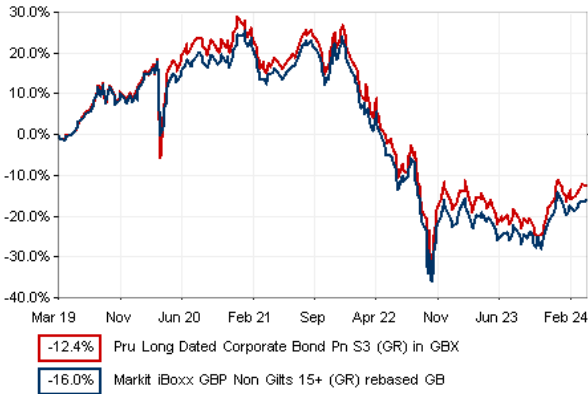
Fund Overview

Daily price (19/04/2024)	265.20
Fund size (31/03/2024)	£117.17m
Underlying Fund size	£1051.45m
Number of holdings	209
Launch date	01/07/2003

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	6.5%	8.8%	-7.5%	-21.4%	4.0%
Benchmark	3.6%	9.2%	-8.3%	-23.2%	5.4%

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	-1.1%	-8.9%	-2.6%	3.0%
Benchmark	-1.7%	-9.5%	-3.4%	2.2%

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: Jamie Hamilton Mark Ellis

Manager of the underlying fund for: 23 years, 2 months 10 years, 1 months

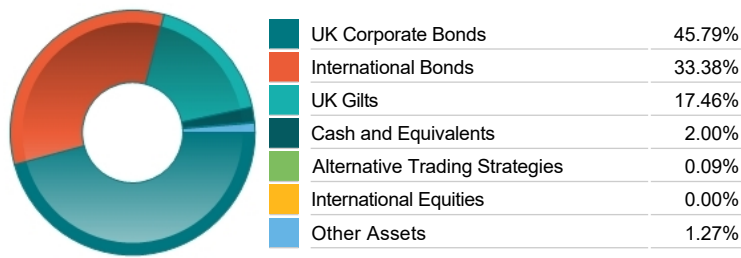
Important Information

- 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 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.

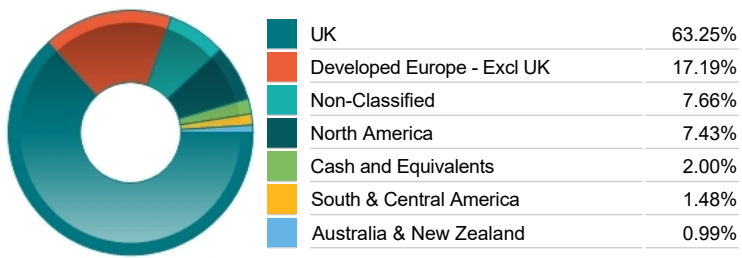
Top 10 Holdings

Name	% Weight	Sector	Country
1 1½% Treasury Gilt 2047	5.48%	Bonds	United Kingdom
2 1¼% Treasury Gilt 2049	5.38%	Bonds	United Kingdom
3 ELECTRICITE DE FRANCE SA MTN RegS	3.76%	Bonds	France
4 3¼% Treasury Gilt 2044	2.25%	Bonds	United Kingdom
5 THFC FUNDING NO 3 PLC MTN RegS	1.77%	Bonds	United Kingdom
6 1¼ % Treasury Gilt 2041	1.74%	Bonds	United Kingdom
7 HSBC HOLDINGS PLC MTN RegS	1.37%	Bonds	United Kingdom
8 AT&T INC MTN	1.35%	Bonds	United States
9 GDF SUEZ MTN RegS	1.31%	Bonds	France
10 RL FINANCE BONDS NO 4 PLC RegS	1.24%	Bonds	United Kingdom

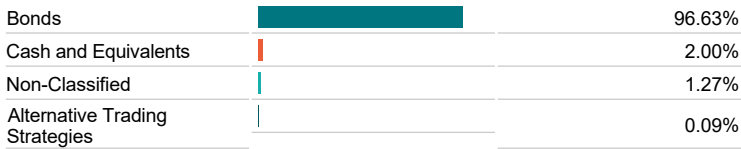
Asset Allocation



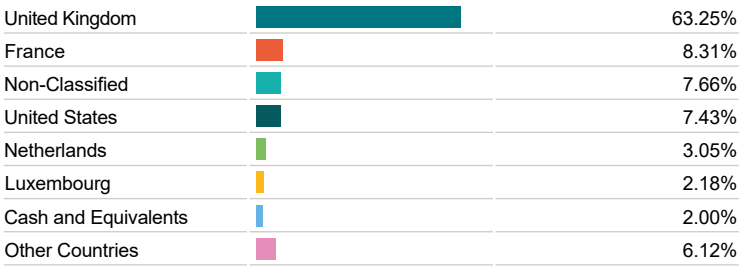
Regional Allocation



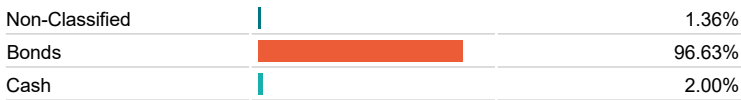
Bond Sector Breakdown



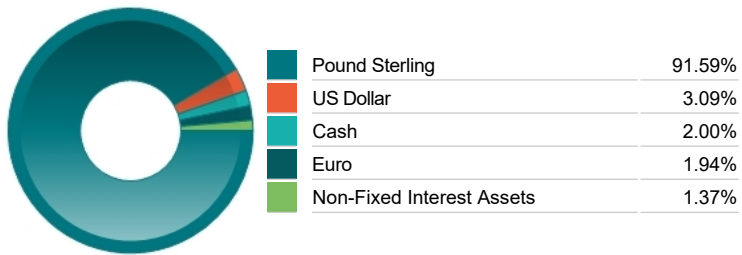
Top Country Breakdown



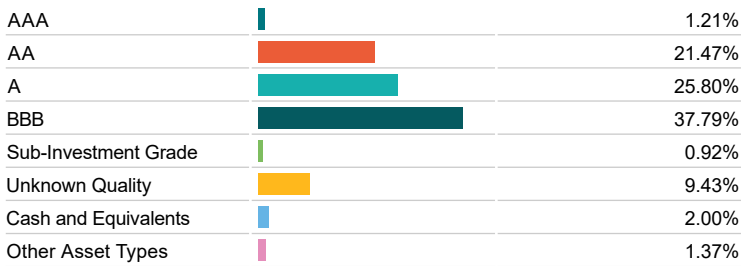
Breakdown By Market Cap (%)



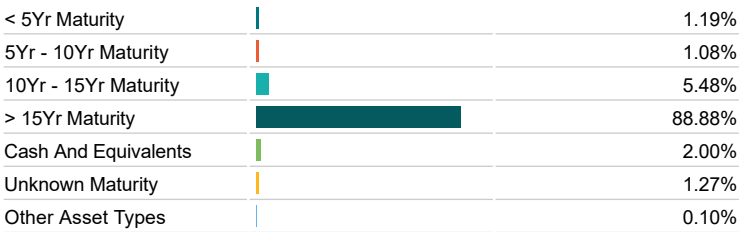
Fixed Interest Currencies



Fixed Interest Quality Profile



Fixed Interest Maturity Profile



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## Commentary

Performance as at Q4 2023 - The quarter began with concerns over geopolitical risk following conflict in the Middle East. Economic data continued to come in relatively strong adding to fears of higher rates for longer. November and December saw a major rally in markets on hopes of a soft landing and central bank cuts. In the UK Consumer Price Index slowed to 3.9%, Core inflation fell to 5.1%. Whilst monetary policy is having the desired effect on inflation, there are concerns around the UK heading into a technical recession. Markets expect the Bank of England to cut rates in 2024. Rates are also impacting UK house prices which suffered in 2023. As we enter 2024, the UK is expected to have a general election which may cause volatility in markets. The November and December rally was triggered by less aggressive tones from the Federal Open Markets Committee, followed by the Federal Reserve's (Fed) December dot plot which took investors by surprise with 75bps of rate cuts being signalled. In turn investors' expectations for inflation returning to target without a recession grew. Europe saw a similar story 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 straightforward with wages continuing to add to inflationary pressure. We may also see some Fed push back given that the rally has loosened financial conditions. The backdrop resulted in the Bloomberg Global Bond Aggregate Index gaining +5.0% in November and +4.2% in December. The 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. The spread on the Global IG index tightened, with high beta names, cyclical, financials and BBBs being the outperformers. Total returns 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. High Yield (HY) credit fared similarly. Lower sovereign bond yields and spread tightening helped the Global HY credit market deliver gains, bringing total returns to +12.5%. On an annual basis, US HY +13.5% slightly outperformed European HY, predominantly driven by its marginally longer duration. Whilst there has been talk of soft landings there is always the spectre of an unforeseen event which could spark future bond market volatility or a sharp turn in monetary policy. There are a significant number of elections coming in 2024. We believe that a patient and highly selective approach to fixed income investment is the best strategy to take advantage of opportunities. The fund underperformed its benchmark. The following factors contributed: Sector selection was a detractor driven by the fund's underweight position in the Industrial sector. Security selection was a detractor. Overweight positions in Utility bonds were positive. In addition underweight positions British American Tobacco and GlaxoSmithKline were detractors. Strategy - the manager reduced the level of risk as credit spreads tightened. The manager sold names such as ENGIE, Cadent, SSE and Intesa Sanpaolo and reduced the fund's exposure to RAC. In addition, USD bonds issued by Pfizer and Euro bonds issued by Medtronic were sold. The manager took profits on names within the Real Estate sector. They switched out of GBP holdings in CPI Property Group into Euro bonds of the same company with a slightly longer maturity. The proceeds were used to add to exposure to Heimstaden Bostad, SBB and GreenSquare Accord. The manager continued to find some value in the utility sector and were still able to identify opportunities within financials and purchased senior bonds issued by Lloyds. In addition, they purchased Euro denominated bonds issued by German banks.

Source: M&G

## Important Information

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