EMD Hard Currency Strategy

PGIM FIXED INCOME

As of March 31, 2025

STRATEGY HIGHLIGHTS

Objective[1]	To maximize excess returns versus the JPM EMBI Global Diversified Index over the long term.	
Target Sources of Excess Return	• Country / Issue Selection	40%
	• Currency	20%
	• Duration / Curve	10%
	• Market	15%
	• Sector	15%

Inception Date	July 01, 1996
Strategy Assets	$21.91 as of March 31, 2025
Benchmark	JPM EMBI Global Diversified Index

INVESTMENT PHILOSOPHY & PROCESS

PGIM Fixed Income's Emerging Markets Debt investment philosophy is grounded in four beliefs:

1. The ever-changing risk appetite of investors is a primary contributor to both market opportunity and market volatility. We therefore begin our investment process with a comprehensive assessment of the global appetite for risk.
2. Country allocation is a primary determinant of emerging markets portfolio returns. We therefore focus a significant part of our investment process on determining our country views. Our country decision process incorporates our global risk view along with an analysis of a country's foreign exchange, local bonds, and hard currency bonds from a fundamental, relative value, and technical perspective. We heavily emphasize qualitative factors in our fundamental analysis, as they are often the best predictors of performance.
3. Security selection is also a primary source of alpha generating opportunities. Our philosophy is to seek the widest possible universe of security selection opportunities, guidelines permitting. We analyze sovereign issuers as well as "quasi-sovereign" issuers within the same country. We evaluate opportunities in both hard currency and local currency bond curves based on potential changes in policy rates and inflation outlook. We evaluate corporate issuers, guidelines permitting.
4. Dynamic risk budgeting provides a disciplined framework for investment decision-making and provides important risk management as well. We heavily rely on risk budgeting and management to provide a consistent and disciplined framework for all investment decisions. We develop a broad strategic risk budget for each client portfolio that reflects the client's long-term objectives and risk parameters, as well as a tactical risk budget that permits us to incorporate our day-to-day views of market risk tolerances and opportunities within the broader strategic risk budget.
   - PGIM Fixed Income's investment approach seeks to add value primarily through research-based country allocation, security selection, FX, and, to a lesser extent, yield curve management. Duration management decisions are made on a country by country basis based on the outlook for central bank policy, inflation, and output gaps.
   - Duration management is also a function of our assessment of the global appetite for risk, which is Step 1 of our investment process.
   - Yield curve decisions are made with similar considerations.
   - When we interpret the global appetite for risk as a positive factor (i.e. global investors appear willing to assume more risk), we will tend to express this through slightly more aggressive yield curve positioning.

1 Global Backdrop & Portfolio Strategy
Senior Portfolio Manager
- Assess global risk appetite to determine portfolio risk profile and refine portfolio positioning, leveraging firm's resources

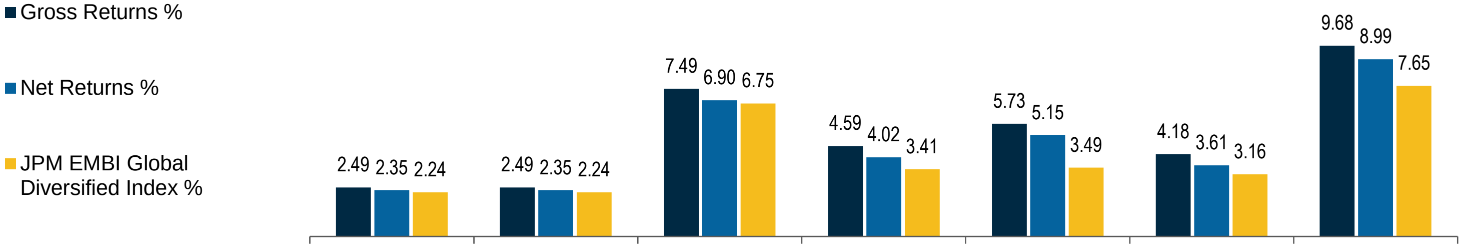
2 Country Analysis
Regional Economists
- Develop comprehensive economic outlook by country
- Evaluate each country from quantitative and qualitative perspective & assign internal rating

3 Asset & Security Selection
Regional Portfolio Managers/ Economists/Analysts
- Seek to determine best risk/ reward opportunities across hard currency, local rates, and FX
- Use proprietary tools to highlight relative value opportunities within markets

4 Risk Monitoring
Senior Portfolio Manager/Risk Manager
- Employ a rigorous process to tightly monitor risk at all levels
- Use proprietary tools to verify performance achieved is appropriate for risk taken

Your capital is at risk and the value of investments can go down as well as up. No investment strategy or management technique can guarantee returns or eliminate risk in any market environment. *Where overseas investments are held the rate of currency may cause the value of investments to fluctuate. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets. Non-USD securities are converted to USD using a spot rate conversion. [1]Gross target excess returns do not reflect the deduction of investment advisory fees and other expenses, which will reduce returns and may be substantial. Net target excess returns reflect the deduction of a model fee equal to the highest fee borne by a portfolio utilizing the strategy. Targets are shown for illustrative purposes only, are subject to change and are current as of the date of this presentation only. Targets are objectives and should not be construed as providing any assurance or guarantee as to the results that may be realized in the future from investments in any asset or asset class described herein. If any of the assumptions used do not prove to be true, results may vary substantially.* ***Available for professional and institutional investors only. Please see the Notice for additional important disclosures regarding the information contained herein.***

PERFORMANCE[1] | PERIODS ENDING MARCH 31, 2025

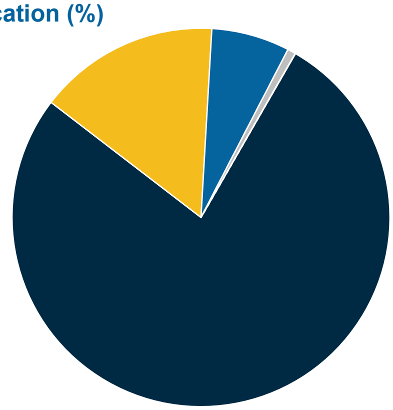


	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (01 Jul 1996)
Excess Returns - Gross (bps)	+25	+25	+74	+118	+223	+102	+203
Excess Returns - Net (bps)	+10	+10	+15	+61	+165	+45	+134
Tracking Error (%)	NM	NM	NM	1.20	1.94	2.53	2.65
Information Ratio (Gross)	NM	NM	NM	0.97	1.15	0.47	0.76
Information Ratio (Net)	NM	NM	NM	0.51	0.87	0.25	0.52

Excess Returns may reflect rounding differences. Information ratio and tracking error are not meaningful (NM) for periods less than 3 years. Data is presented on both a gross and net basis, where applicable. Gross metrics do not reflect the deduction of fees and other expenses to be borne by accounts using the Strategy, which will reduce returns and, in the aggregate, may be substantial. Additional performance information is available upon request. Please visit www.pgimfixedincome.com for contact information.

PORTFOLIO HIGHLIGHTS[2]

Sector Allocation (%)



Sector Allocation (%)

	Portfolio	JPM EMBI Global Diversified Index
Hard Currency	**98.9**	**100.0**
Sovereign	76.8	81.2
Quasi-Sovereign	15.4	18.8
Corporates	6.7	0.0
Local Currency	**0.7**	**0.0**
Sovereign	0.7	0.0
Quasi-Sovereign	0.0	0.0

Representative Characteristics (%)

	Portfolio	JPM EMBI Global Diversified Index
Effective Duration (yrs)	6.74	6.51
Effective Yield (%)	8.52	6.69
Spread (bps)	319	252
Average Coupon (%)	4.88	5.02
Average Quality (Moody's)	Ba2	Ba1
Number of Issuers	163	110

Top 10 Country Allocation (%)

	Portfolio	JPM EMBI Global Diversified Index
Mexico	6.7	5.0
Dominican Republic	4.5	2.9
Colombia	4.4	2.8
Turkey	4.4	4.3
Brazil	3.8	3.1
South Africa	3.7	2.7
Romania	3.7	2.6
Indonesia	3.4	4.4
Argentina	3.3	2.5
Saudi Arabia	3.2	5.2

Rating Distribution[3,4](%)

	Portfolio	JPM EMBI Global Diversified Index
AAA	0.0	0.0
AA	5.4	6.2
A	5.8	16.2
BBB	25.4	26.7
BB	35.5	27.4
B	14.1	14.0
CCC & Below	12.6	9.0
Not Rated	0.7	0.5

Past performance is not a guarantee or a reliable indicator of future results. The value of investments can go down as well as up. No investment strategy or management technique can guarantee returns or eliminate risk in any market environment. Please see the Notice for additional important disclosures regarding the information contained herein. *Totals may not sum due to rounding. Source: PGIM Fixed Income. Source of Benchmark: JP Morgan. Where overseas investments are held the rate of currency may cause the value of investments to fluctuate. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets. Non-USD securities are converted to USD using a spot rate conversion. [1]Periods over one year are annualized. [2]Portfolio highlights provided above are calculated based on the percentages of the total market value of a representative portfolio using the Strategy. The representative characteristics are not, and should not be construed as, the past or projected performance of the Strategy or any investment, which will be impacted by a number of factors not reflected herein. [3]Excludes cash and FX hedges. [4]Middle of Moody's, S&P and Fitch ratings -- excluding cash and cash equivalents.* ***Available for professional and institutional investors only.***

INVESTMENT COMMENTARY

Markets

Emerging markets debt proved resilient in Q1 as uncertainty continued to dominate markets and U.S. trade policy drove volatility. While spreads widened YTD, EM IG outperformed U.S. IG credit and EM HY slightly underperformed U.S. high yield. EM currencies meaningfully outperformed versus U.S. dollar, pointing to the potential for EM growth to outperform U.S. growth going forward.

Although risks remain, a shifting narrative around U.S. exceptionalism should support EM spreads. Hard currency spreads widened from the tights of mid-February and will likely need some reduction in tariff uncertainty to revert back towards those tights. The tariff impact is difficult to predict, and we will see both first- and second-order effects. Trade linkages are not uniform, with EM countries experiencing varying degrees of vulnerability and resilience. Much of the impact on a country will come down to its competitive advantages, relationship with the U.S., and ability to negotiate. This leads us to expect increased differentiation across issuers, but less differentiation within ratings buckets.

We continue to prefer high-carry, yet resilient BB issuers, such as Colombia, Serbia, Brazil, Ivory Coast, Dominican Republic, and Guatemala. We also prefer idiosyncratic stories, such as Ghana, El Salvador, Egypt, Ecuador, and Pakistan. Additionally, we see relative value opportunities within individual countries. For example, Mexico remains an overweight, yet we are defensively positioned through exposure to Mexico City Airport (secured debt) and Pemex (down the curve) and maintain an underweight to the sovereign. Saudi Arabia is also an overweight through the sovereign and some quasi-sovereigns while our exposure to the Public Investment Fund is limited. Within the UAE, we are neutral in aggregate.

Portfolio

Sector positioning had a positive impact on performance, with an overweight in the EM HY sector contributing the most. Country selection detracted from performance, with overweights to Argentina and Ecuador detracting the most. This was partially offset by an overweight to Brazil. Hard currency security selection contributed to performance, with overweights to Argentina and Cote D Ivoire among the top contributors. This was partially offset by an overweight to Ecuador which had a negative impact on performance.

From a market perspective, the average market risk of the portfolio was greater than that of the benchmark over the period. This detracted from performance.

PORTFOLIO MANAGERS

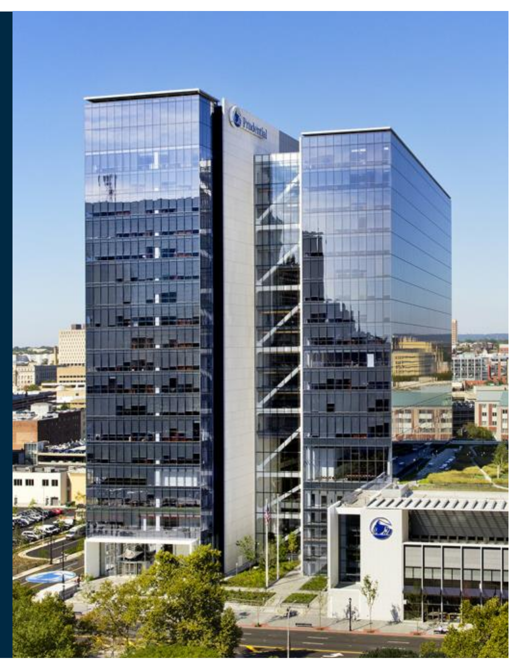
Cathy L. Hepworth, CFA
Managing Director and Head of Emerging Markets Debt Team

PGIM FIXED INCOME

PGIM Fixed Income is a global asset manager offering active solutions across all fixed income markets. As of March 31, 2025, the firm had $862 billion of assets under management, and over 1,148 institutional asset owners have entrusted PGIM Fixed Income with their assets.

At PGIM Fixed Income our extensive size and scale benefits our clients in our ability to have the necessary resources to maintain large and deep research teams, implement world-class risk management systems, establish ourselves as a known entity to both corporate issuers and sell side analysts and add considerable value to our investment process in finding key opportunities for our investors.

Our investment approach is supported by 360 investment professionals based in the U.S., London, Tokyo, Hong Kong, Singapore, Amsterdam, Munich and Zurich as of March 31, 2025. Senior investment personnel average 23 years tenure with the firm, providing stability and leadership. 8 regional macroeconomists, 151 fundamental analysts, and 72 analysts in quantitative modeling, risk management, and portfolio analysis provide deep, broad perspectives on the global fixed income markets.



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INDEX DESCRIPTION: The benchmark for this composite is the Emerging Markets Bond Index Global Diversified (EMBI Global), which tracks total returns for USD-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, and Eurobonds. It limits the weights of those index countries with larger debt stocks by only including specified portions of these countries’ eligible current face amounts of debt outstanding. To be deemed an emerging market by the EMBI Global Diversified Index, a country must be rated Baa1/BBB+ or below by Moody’s/S&P rating agencies. Source of the benchmark: JPMorgan. Information has been obtained from sources believed to be reliable, but J.P. Morgan does not warrant its completeness or accuracy. The Index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval. Copyright 2022, JPMorgan Chase & Co. All rights reserved.

SUMMARY OF CERTAIN RISKS: High yield (“junk”) bonds have greater credit and market risks, including a greater risk of default of payment of principal and interest than higher-rated bonds. Also, these bonds tend to be less liquid than higher-rated securities. Therefore, an investment in this strategy may not be appropriate for short-term investing; **foreign securities** have risks of currency fluctuation and political uncertainty; **emerging markets** are subject to greater volatility and price declines; and **derivatives** have market, credit, and liquidity risks. **Fixed income investments** are subject to **credit, market, and interest rate risks**, and their value will decline as interest rates rise; **geographic concentration risks**, where the impact of a single country or region can result in more pronounced risks; **currency risk**, in that the value of a particular currency will change in relation to other currencies; lack of liquidity due to low trading volumes; **non-diversification**, so a loss resulting from a particular security or sector will have a greater impact on returns.