EMD Local Currency Strategy

PGIM FIXED INCOME

As of March 31, 2025

STRATEGY HIGHLIGHTS

Objective[1] To maximize excess returns versus a local emerging markets debt index over the long term.

Target Sources of Excess Return	• Country / Issue Selection	10%
	• Currency	40%
	• Duration / Interest Rate	40%
	• Market	10%
	• Sector	0%

Inception Date	January 01, 2011
Strategy Assets	$1.63 as of March 31, 2025
Benchmark	JPM GBI-EM 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.

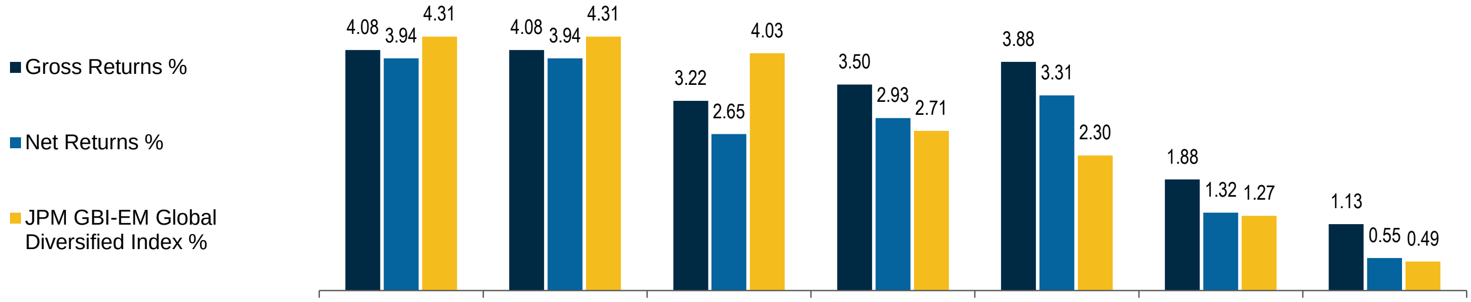
1 Global Backdrop & Portfolio Strategy
Senior Portfolio Manager
- Assess global risk appetite to determine portfolio risk profile and refine portfolio positioning, leveraging firm's resources

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

PERFORMANCE[1] | PERIODS ENDING MARCH 31, 2025

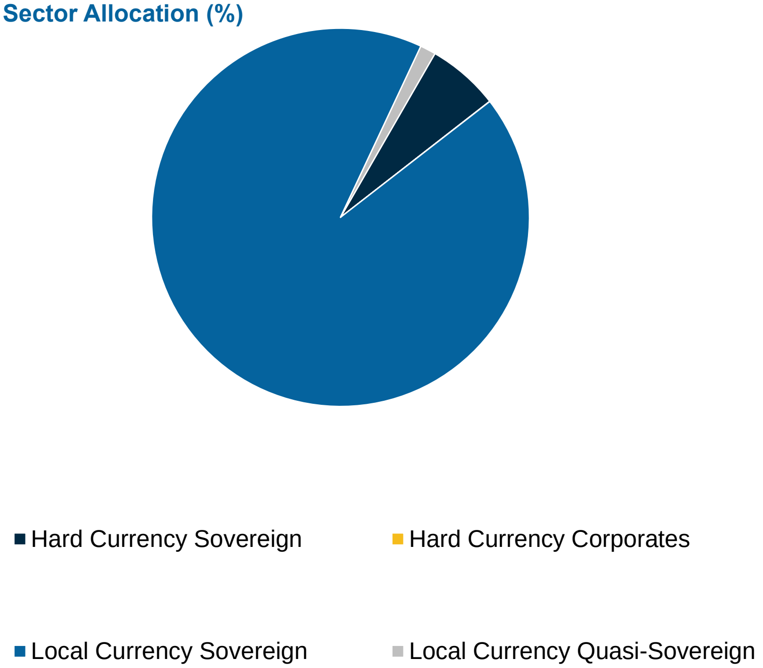


	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (01 Jan 2011)
Excess Returns - Gross (bps)	-23	-23	-81	+79	+159	+62	+64
Excess Returns - Net (bps)	-37	-37	-137	+22	+102	+6	+6
Tracking Error (%)	NM	NM	NM	1.97	1.98	1.94	1.90
Information Ratio (Gross)	NM	NM	NM	0.35	0.77	0.35	0.39
Information Ratio (Net)	NM	NM	NM	0.07	0.50	0.07	0.09

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 GBI-EM Global Diversified Index
Hard Currency	**6.1**	**0.0**
Sovereign	6.1	0.0
Corporates	0.0	0.0
Local Currency	**93.0**	**100.0**
Sovereign	91.7	100.0
Quasi-Sovereign	1.3	0.0

Representative Characteristics (%)

	Portfolio	JPM GBI-EM Global Diversified Index
Effective Duration (yrs)	6.61	5.30
Effective Yield (%)	9.75	6.86
Spread (bps)	29	7
Average Coupon (%)	5.89	5.57
Average Quality (Moody's)	Baa1	Baa1
Number of Issuers	64	19

Top 10 Country Allocation (%)

	Portfolio	JPM GBI-EM Global Diversified Index
South Africa	14.7	7.3
Indonesia	12.0	10.0
Thailand	10.1	8.9
Mexico	8.2	10.0
Colombia	7.5	3.9
Malaysia	7.4	10.0
Poland	7.2	6.9
China	6.7	10.0
India	4.0	10.0
Czech Republic	3.2	4.9

Rating Distribution[3,4](%)

	Portfolio	JPM GBI-EM Global Diversified Index
AAA	3.4	0.0
AA	3.8	4.9
A	22.8	28.7
BBB	49.9	50.4
BB	19.3	16.0
CCC & Below	0.0	0.0
Not Rated	-1.4	0.0

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. EM local bonds posted positive total returns while spreads declined over the period. In addition, EM currencies meaningfully outperformed versus U.S. dollar, led by Latin America and Europe, as concerns around tariffs shifted from inflation to growth.

Looking ahead, the potential impact of tariffs on U.S. growth could prompt additional rate cuts that exceed those of other central banks. We believe EM policy makers will prioritize growth over inflation as long as their currencies do not come under pressure. While we remain mindful of the fiscal constraints that many EM countries face, even fiscally constrained countries (e.g., Brazil, Colombia, and South Africa) would benefit at the margin if the U.S. Fed were to turn dovish. In addition, more stimulus measures coming out of China are likely to result in a stable or improved backdrop.

We are maintaining a long position in Latin America with an overweight to Mexico due to the economic contraction and a dovish central bank. We are also overweight Peru and Colombia due to their attractive hedge yield and steep yield curves. Within CEEMEA, we are overweight South Africa due to the attractive risk premium in the 10-15 year tenors. Within Asia, we are overweight India and Korea and underweight China due to relative monetary and fiscal policy differences.

Portfolio

Sector positioning had a positive impact on performance, with an overweight in the EM IG sector. Country selection had a minimally positive impact on performance, with overweights to Romania and Guatemala contributing the most. This was partially offset by an overweight to Turkey, which detracted. Local currency security selection detracted from performance, with overweights to Colombia and South Africa detracting the most. This was partially offset by an underweight to Turkey, which had a positive impact on performance. Selection in EMFX detracted from performance, led by an underweight to Czech koruna and Indonesian rupiah. This was partially offset by an overweight to Brazilian real which had a positive 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 this had a minimal impact on performance.

PORTFOLIO MANAGERS

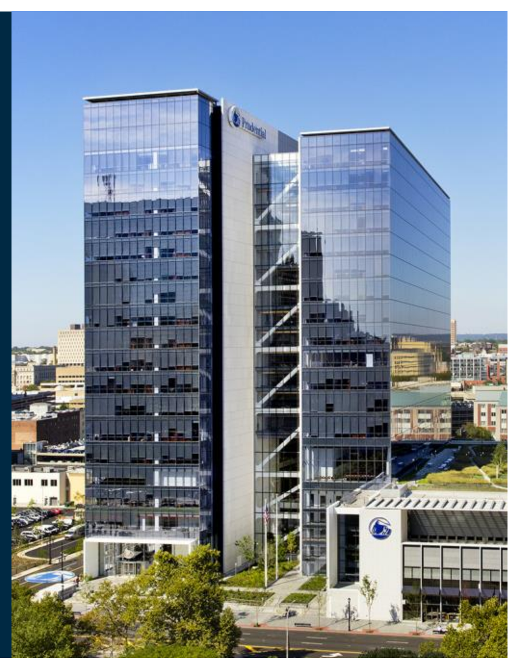
Cathy L. Hepworth, CFA
Managing Director and Head of Emerging Markets Debt Team

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 JPMorgan Government Bond Index-Emerging Markets Global Diversified Index (JPM GBI-EM Global Diversified Index), which tracks total returns for local currency bonds issued by emerging market governments. Source of the benchmark: JP Morgan. 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.