

Long Duration Government/ Credit Strategy



As of March 31, 2025

STRATEGY HIGHLIGHTS

Objective¹

To maximize excess returns versus the Bloomberg U.S. Long Govt/Credit Index over the long term.

Target Sources of Excess Return

• Market / Sector Allocation	50%
• Security Selection	40%
• Duration / Interest Rate / Currency	10%

Inception Date

December 01, 2009

Strategy Assets

\$6.05 as of March 31, 2025

Benchmark

Bloomberg U.S. Long Govt/Credit Index

INVESTMENT PHILOSOPHY & PROCESS

- PGIM Fixed Income's Long Duration Government Credit Fixed Income portfolios are managed based on the philosophy that research-driven security selection is the most consistent strategy for adding value to client portfolios. We complement that base strategy with modest sector rotation, duration management, and disciplined trade execution. Risk budgeting is central to our approach.
- The Strategy typically generates its excess return from both sector allocation and subsector/security allocation, in fairly equal increments. Duration and yield curve positioning is generally de-emphasized, but will be considered when exceptional market opportunities dictate.
- Our portfolios take an actively-managed, relative-value driven approach to security selection.
 - We analyze various security relationships in the market in order to exploit temporary market inefficiencies.
 - Each trade is intended to capture relative value, with the sum of all security selection expected to contribute a meaningful portion of expected excess return over time.
 - The Strategy is expected to perform best in markets with excess spread dislocations that it can capitalize on through relative value trading.
 - In contrast, a low volatility interest rate environment with little spread or interest rate movements would most likely lead to more stable security-to-security relationships and, in turn, make it more difficult to outperform.
- We believe that diversified portfolios, built through the integration of credit research, quantitative research, and risk management, can achieve consistent excess returns for clients with a high information ratio.

1

Senior investment team assesses global market environment

- Economic Research
- Sector Analysis

2

Senior portfolio managers construct portfolio with sector specialist and analysts

Risk Budgeting

- Establish risk targets within client's risk budget
- Capture thresholds for systematic and idiosyncratic risks

Asset Allocation

- Determine risk, sector, and term structure positioning
- Incorporate themes given current market dynamics
- Ideas from sector specialists are emphasized

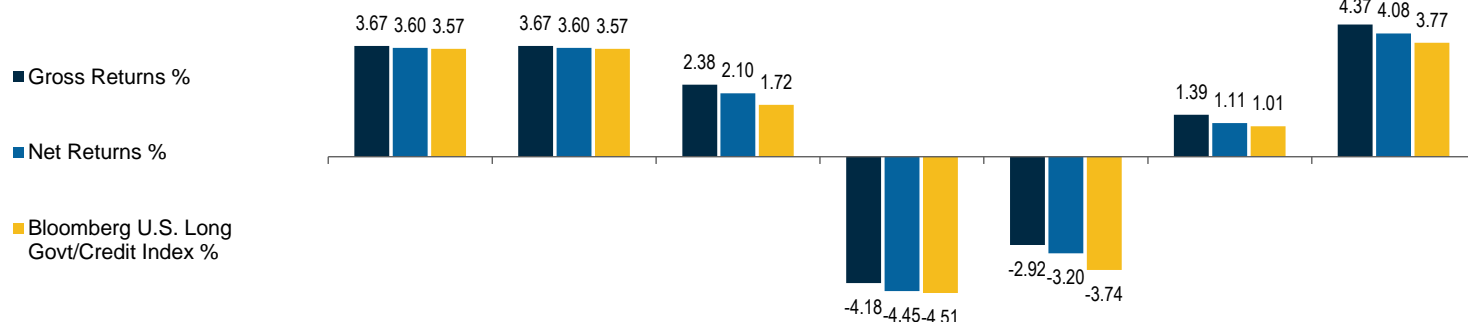
Security Selection

- Sector specialists and research analysts aligned by industry determine individual securities
- Research-based approach

3

Senior portfolio managers and risk manager oversee risk positions

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. ¹Gross 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.**

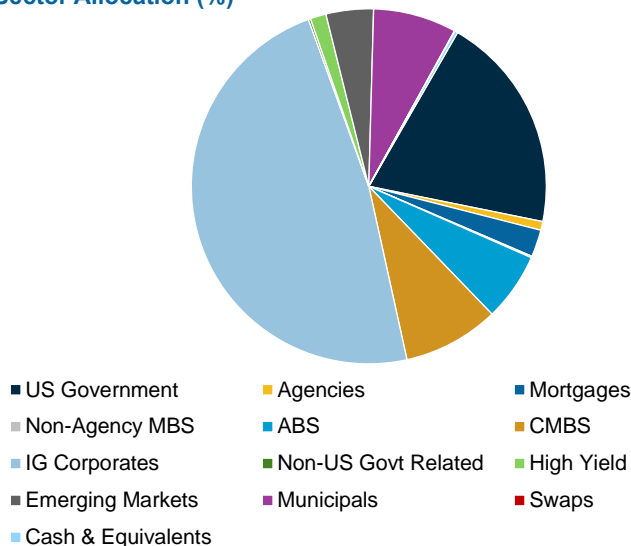
PERFORMANCE¹ | PERIODS ENDING MARCH 31, 2025

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (01 Dec 2009)
Excess Returns - Gross (bps)	+10	+10	+67	+33	+82	+39	+60
Excess Returns - Net (bps)	+3	+3	+38	+6	+55	+10	+30
Tracking Error (%)	NM	NM	NM	0.57	0.78	1.00	0.94
Information Ratio (Gross)	NM	NM	NM	0.60	1.11	0.41	0.62
Information Ratio (Net)	NM	NM	NM	0.11	0.75	0.13	0.33

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 HIGHLIGHTS²

Sector Allocation (%)



	Portfolio	Bloomberg U.S. Long Govt/Credit Index
US Government	19.9	50.9
Agencies	0.8	0.3
Mortgages	2.5	0.0
Non-Agency MBS	0.1	0.0
ABS	6.2	0.0
CMBS	8.8	0.0
IG Corporates	47.9	42.0
Non-US Govt Related	0.2	0.3
High Yield	1.4	0.0
Emerging Markets	4.3	3.1
Municipals	7.6	3.3
Swaps	0.0	0.0
Cash & Equivalents	0.3	0.0
Total	100.0	100.0

Representative Characteristics (%)

	Portfolio	Bloomberg U.S. Long Govt/Credit Index
Effective Duration (yrs)	13.37	13.37
Effective Yield (%)	5.53	5.16
Spread (bps)	92	56
Average Coupon (%)	4.30	3.79
Average Quality (Moody's)	A1	Aa3
Number of Issuers	308	689

Corporate Industry Allocation (%)

	Portfolio	Bloomberg U.S. Long Govt/Credit Index
Finance	13.3	7.5
Industrial	27.9	29.1
Utility	8.6	6.0
Non Credit	4.0	2.9

Top 10 Industries (%)

Banking	9.2	3.6
Electric & Water	8.1	5.5
Non-US Govt Related	4.0	2.9
Energy - Midstream	3.9	2.1
Health Care & Pharma	3.9	5.1
Technology	2.8	4.3
Telecom	2.3	2.6
Energy - Upstream	2.2	1.8
Cable & Satellite	1.7	1.3
Consumer Non-Cyclical	1.5	2.4

Rating Distribution^{3,4}(%)

	Portfolio	Bloomberg U.S. Long Govt/Credit Index
AAA	15.8	1.3
AA	30.8	56.7
A	23.6	20.2
BBB	27.2	21.8
BB	1.6	0.0
B	0.8	0.0
CCC & Below	0.1	0.0
Not Rated	0.0	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: Bloomberg. 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. ¹Periods over one year are annualized. ²Portfolio 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. ³Excludes cash and FX hedges. ⁴Middle of Moody's, S&P and Fitch ratings – excluding cash and cash equivalents. Available for professional and institutional investors only.

INVESTMENT COMMENTARY

Markets

In Q1, rapidly shifting U.S. government policies—e.g., DOGE layoffs, tariffs, and the immigration crackdown—at a minimum interrupted the mystique of “American Exceptionalism.” Fixed income assets still posted positive total returns even as spreads widened for most sectors.

Meanwhile, the Fed left monetary policy unchanged, which led to market concerns of a slower-than-normal Fed reaction (given that tariffs will initially lift inflation) giving way to weaker growth. In addition, the Fed shifted from suggesting that risks were balanced to “uncertainty has increased.” Against this backdrop, the intermediate U.S. Treasury yields declined.

Per the Summary of Economic Projection (SEP) from the Fed, growth was lowered to 1.7% from 2.1% and core inflation was lifted to 2.8% (from 2.5%). That stated, fluctuating tariff policy has created uncertainty for both consumers and corporations. Our assessment of the U.S. macroeconomic consequences of tariffs includes a reduction in our 2025 U.S. GDP forecast from 2.2% to 1.5%.

The valuation gap between equities and bonds has narrowed significantly and all-in yields for fixed income remain attractive. Meanwhile, corporate supply has been limited, and demand for fixed income remains robust. Given the current market environment, we are focused on less cyclically sensitive segments such as high-quality structured products and carry-related instruments.

Portfolio

Overall security selection contributed to performance over the quarter, with selection in U.S. investment grade corporates, U.S. Treasuries, municipal bonds, and U.S. high yield corporates contributing the most. This was partially offset by selection in MBS, which detracted the most.

Overall sector allocation also contributed, with an underweight to the U.S. investment grade corporate sector, along with overweights to the emerging market high yield, CLO AAA, and U.S. high yield corporate sectors, contributing the most. This was partially offset by an overweight to the municipal bond sector, which detracted.

Within credit, selection in upstream energy, aerospace & defense, and transportation & environmental services contributed the most. During the reporting period, the Fund's yield curve positioning contributed to performance, while duration positioning detracted.

PORTFOLIO MANAGERS



Gregory Peters
Managing Director and
Co-Chief Investment Officer,
Senior Portfolio Manager



Richard Piccirillo
Managing Director and
Senior Portfolio Manager



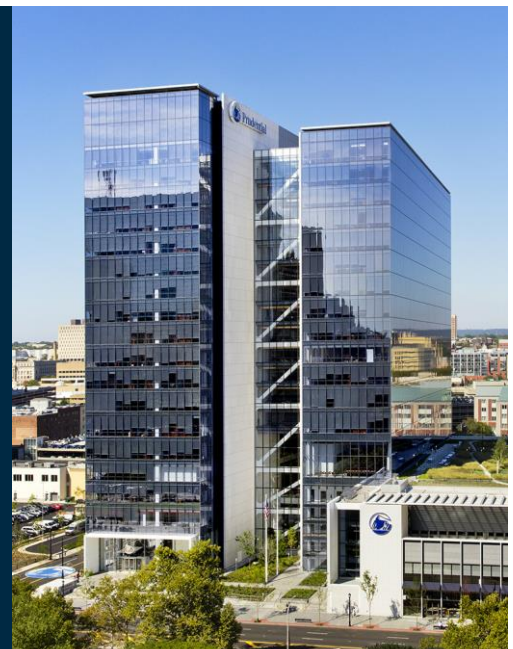
Michael Collins, CFA
Managing Director and
Executive Portfolio Advisor

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 the composite is the Bloomberg Barclays U.S. Long Government/Credit Index, which covers USD-denominated and non-convertible, publicly issued US Government or investment-grade securities that are fixed rate or step ups. Securities must have a maturity of 10 years or greater and be rated investment-grade (Baa3/ BBB-/BBB-) or better using the middle rating of Moody's, S&P, and Fitch. Source of the benchmark: Bloomberg.

SUMMARY OF CERTAIN RISKS: **Liquidity risk**, when particular investments may be difficult to sell; **foreign securities** have risks of currency fluctuation and political uncertainty; **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. **Diversification** and **asset allocation** do not assure a profit or protect against loss in declining markets.