Strategic Bond Strategy

PGIM FIXED INCOME

As of March 31, 2025

STRATEGY HIGHLIGHTS

Objective[1]	To maximize excess returns versus the Bloomberg Intermediate U.S. Aggregate Index over the long term.	
Target Sources of Excess Return	• Market / Sector Allocation	50%
	• Security Selection	40%
	• Duration / Interest Rate / Currency	10%

Inception Date	September 01, 2015
Strategy Assets	$1.36 as of March 31, 2025
Benchmark	Bloomberg U.S. Intermediate Aggregate Index

INVESTMENT PHILOSOPHY & PROCESS

- The Strategic Bond Strategy is an actively managed strategy that seeks to achieve positive returns by investing across a broad range of fixed income sectors, securities and derivatives.
- The Strategy combines "best ideas" from macro top-down and credit bottom-up teams across PGIM Fixed income opportunistically using asset class and sector ideas to find alpha generating trades.
- Portfolio positioning at any given time is based on where we believe the most attractive risk-adjusted values lie across the investable universe.
- The Strategy is designed to provide flexibility to respond to changing market opportunities to both generate alpha and to mitigate downside risk, diversifying across individual issuers, industries and country positions.
- As for security selection, the Strategy takes take an actively-managed, relative-value driven approach. Within our corporate bond allocation, for example, we continually analyze various security relationships 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.
- As such, 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 our philosophy for managing Strategic Bond portfolios will be successful in the future because it is diversified—relying on several proven strategies rather than a single interest rate, term structure, or credit decision.
  - Two of these strategies—subsector rotation and fundamental security selection—are strategies that we believe are equally appropriate in strong and weak markets, although naturally the subsectors and securities chosen will vary given the economic and market environment.

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

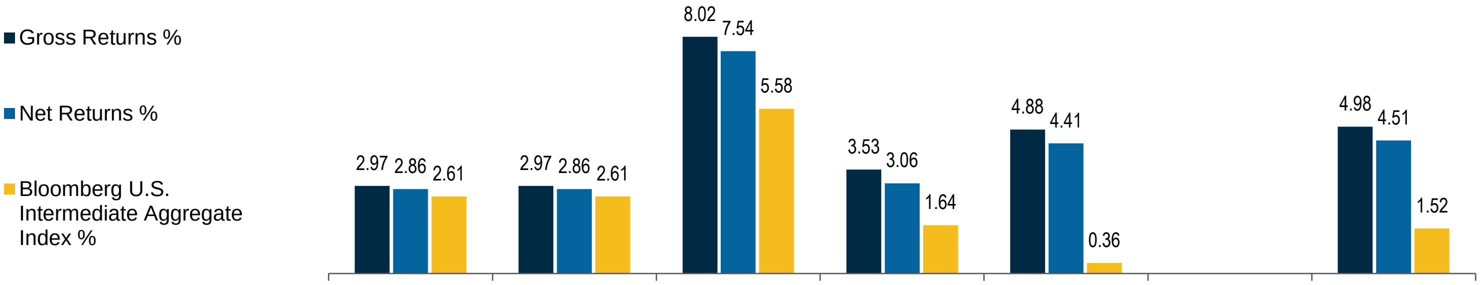
Asset Allocation
- Determine risk, sector, and term structure positioning
- Incorporate themes given current market dynamics
- Ideas from sector specialists are emphasized

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. [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

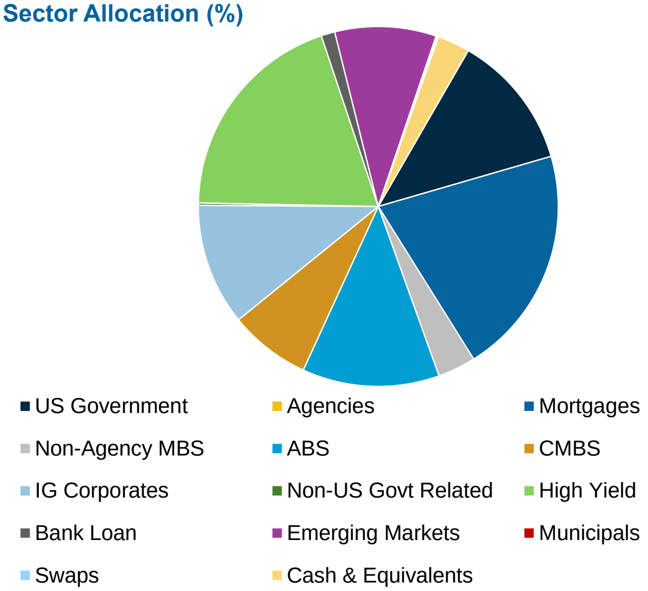


	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (01 Sep 2015)
Excess Returns - Gross (bps)	+36	+36	+244	+189	+452	--	+345
Excess Returns - Net (bps)	+24	+24	+195	+142	+405	--	+298
Tracking Error (%)	NM	NM	NM	2.52	3.53	--	5.21
Information Ratio (Gross)	NM	NM	NM	0.75	1.28	--	0.67
Information Ratio (Net)	NM	NM	NM	0.57	1.15	--	0.59

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 (%)



	Portfolio
US Government	12.2
Agencies	0.0
Mortgages	20.6
Non-Agency MBS	3.4
ABS	12.3
CMBS	7.3
IG Corporates	10.9
Non-US Govt Related	0.2
High Yield	19.6
Bank Loan	1.2
Emerging Markets	9.1
Municipals	0.1
Swaps	0.1
Cash & Equivalents	2.9
Total	**100.0**

Representative Characteristics (%)

	Portfolio
Effective Duration (yrs)	4.26
Effective Yield (%)	7.11
Spread (bps)	219
Average Coupon (%)	4.41
Average Quality (Moody's)	A3
Number of Issuers	381

Corporate Industry Allocation (%)

	Portfolio
Finance	9.8
Industrial	22.4
Utility	3.0
Non Credit	6.0

Top 10 Industries (%)

Banking	6.8
Non-US Govt Related	6.0
Electric & Water	3.0
Telecom	3.0
Health Care & Pharma.	1.9
Gaming & Lodging & Leis.	1.8
Cable & Satellite	1.8
Energy - Midstream	1.7
Building Materials & Home Construction	1.7
Consumer Non-Cyclical	1.5

Rating Distribution[3,4] (%)

	Portfolio
AAA	0.5
AA	42.0
A	6.8
BBB	12.1
BB	15.0
B	11.0
CCC & Below	2.8
Not Rated	6.8

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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 (because tariffs will initially increase inflation) giving way to weaker growth. In the Fed's Summary of Economic Projection (SEP), growth was lowered to 1.7% from 2.1% and core inflation was lifted to 2.8% (from 2.5%). 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 during the period, with selection in U.S. high yield corporates, emerging market high yield bonds, non-agency CMBS AA-and-below, U.S. investment grade corporates, and AA CLOs contributing the most.

Overall sector allocation also contributed, with overweights to the emerging market high yield, non-agency CMBS AA-and-below, CLO AA, and bank loan sectors contributing the most. This was partially offset by an underweight to the emerging market investment grade sector, which detracted the most.

Within credit, security selection in healthcare & pharmaceuticals, telecom, and banking contributed the most. Selection in building materials & home construction detracted the most from results.

PORTFOLIO MANAGERS

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

Richard Piccirillo
Managing Director and
Senior Portfolio Manager

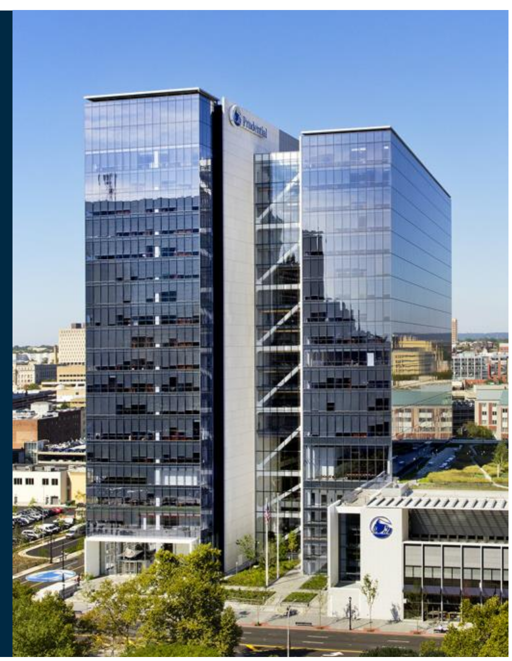
Michael Collins, CFA
Managing Director and
Executive Portfolio Advisor

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 DESCRIPTIONS: As of March 1, 2019, the benchmark for the composite is the Bloomberg Intermediate U.S. Aggregate Bond Index, which covers the USD-denominated, investment-grade, fixed-rate or step up, taxable bond market of SEC-registered securities with maturities of 1-10 years. The index includes bonds from the Treasury, Government-Related, Corporate, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS and CMBS sectors. Securities must be rated investment-grade (Baa3/BBB-/BBB- or above) using the middle rating of Moody's, S&: and Fitch and have at least 1 year until final maturity. Prior to March 1, 2019, the benchmark for the composite was the 3 Month LIBOR (London Interbank Offered Rate, which is the stated rate of interest at which banks in the London wholesale money markets may borrow funds from one another for three months. The 90-day average of the daily rates set by the Intercontinental Exchange Benchmark Administration Ltd ("IBA") is used to derive the return for the month. ICE Data Indices, LLC, used with permission. ICE Data Indices, LLC is licensing the ICE Data Indices and related data "as is," makes no warranties regarding same, does not guarantee the suitability, quality, accuracy, timeliness, and/or completeness of the ICE Data Indices or any data included in, related to, or derived therefrom, assumes no liability in connection with their use, and does not sponsor, endorse, or recommend PGIM Fixed Income, or any of its products or services.

SUMMARY OF CERTAIN RISKS: High yield ("junk") bonds (up to 35%) are subject to greater credit and market risks; **asset-backed securities** are subject to greater credit risks; **mortgage-related securities** are subject to prepayment risks; **short sales** involve costs and the risk of potentially unlimited losses; **leveraging** techniques may magnify losses; **derivative** securities may carry market, credit, and liquidity risks; **Fixed income investments** are subject to interest rate risk, and their value will decline as interest rates rise. **Diversification** does not assure a profit or protect against loss in declining markets.