

COMMODITY STRATEGY

December 31, 2024



PGIM
QUANTITATIVE SOLUTIONS



Investment Objective*

Bloomberg Commodity Index outperformance with target tracking error of 1.5% - 2.5% over a full market cycle.

Investment Approach

Systematic, factor-based strategy aims to capture persistent long-term payoff to a broad market of commodities through highly liquid future investments.

Key Features

- Global commodity focus
- Live track record since 2018
- Provides diversification and inflation hedge potential to a multi-asset class portfolio
- Seeks alpha¹ in a risk-controlled systematic process with conservative collateral management
- Highly experienced team provides portfolio oversight and makes continual model enhancements

Experienced Portfolio Management

Marco Aiofi, PhD, Co-Head of Multi-Asset Strategies
Edward Tostanoski, Portfolio Manager

Parameters Typical Portfolio

Targeted Tracking Error	1.5% - 2.5%
Targeted Beta to Bloomberg Commodity Index	100%
Max Gross Exposure (% AUM)	100%
Typical Number of Holdings	20 - 25

About PGIM Quantitative Solutions

PGIM Quantitative Solutions is the quantitative equity and multi-asset specialist of PGIM. For 50 years, PGIM Quantitative Solutions has helped investors around the world solve their unique needs by leveraging the power of technology and data as well as advanced academic research. PGIM Quantitative Solutions manages \$111.3 billion in assets under management/administration as of 12/31/2024.²

For Professional Investors Only. All investments involve risk, including the possible loss of capital.

*There is no guarantee that the objective will be met.

¹Alpha=excess return above the benchmark.

[^]Inception date for the Commodity Strategy Composite is 5/1/2018.

²PGIM Quant provides model portfolios for certain accounts, the assets of which (Assets Under Administration) are included in the total AUM/AUA figure. The Net AUM is \$108.5 billion and the AUA is \$2.8 billion.

Source: PGIM Quantitative Solutions, Bloomberg. An investment cannot be made directly in an index.
All data as of 12/31/2024.

Composite Performance & Risk Statistics - Since Inception

Performance (%)	Commodity Strategy		Bloomberg Commodity Index		
	Net	Gross	Net	Net Alpha	Gross Alpha
Year-to-date	5.36	5.62	5.38	-2 bps	+24 bps
1 Year	5.36	5.62	5.38	-2	+24
3 Year	4.75	5.01	4.05	+70	+96
5 Year	8.11	8.38	6.77	+134	+161
Since Inception [^]	4.98	5.24	3.98	+100	+126
Gross Risk Statistics Since Inception					
Tracking Error (%)	1.69%				
Active Information Ratio	0.75%				
Beta	1.03%				
Volatility (%)	15.13%				
Strategy Assets	\$633.4 million				

Past performance is not a guarantee or a reliable indicator of future results.

Strategy Position

	Portfolio Weight (%)	Benchmark Weight (%)	Variance
Sector			
Energy	32.26	28.55	3.71
Grains	17.48	19.20	-1.72
Industrial Metals	11.43	15.40	-3.97
Livestock	6.83	5.61	1.22
Precious Metals	22.02	22.68	-0.66
Softs	9.39	8.57	0.82

Composite Investment Returns - Net and Gross Returns (%)

	January	February	March	April	May	June	July	August	September	October	November	December	Full Year
2024** Net Returns	1.18	-0.87	3.18	2.12	1.62	-1.12	-4.12	-0.53	4.84	-1.64	0.20	0.69	5.36
Gross Returns	1.20	-0.85	3.20	2.14	1.64	-1.10	-4.10	-0.51	4.86	-1.62	0.22	0.71	5.62
Bloomberg Commodity Index	0.40	-1.47	3.31	2.69	1.76	-1.54	-4.04	0.05	4.86	-1.85	0.41	1.02	5.38
Value Added Net (bps)	+78	+60	-13	-57	-14	+42	-9	-58	-2	+21	-21	-33	-2
Value Added Gross (bps)	+80	+62	-11	-55	-12	+44	-7	-56	+0	+23	-19	-31	+24
	2018*			2019		2020		2021		2022		2023	
Net Returns	-14.31			9.30		0.08		28.41		18.78		-8.16	
Gross Returns	-14.16			9.57		0.33		28.73		19.07		-7.93	
Bloomberg Commodity Index	-13.13			7.69		-3.12		27.11		16.09		-7.91	
Value Added Net (bps)	-118			+161		+320		+130		+269		-25	
Value Added Gross (bps)	-103			+188		+345		+162		+298		-2	

*Inception date is 5/1/2018. **As of 12/31/2024. Past performance is not a guarantee or a reliable indicator of future results.

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