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PGIM GLOBAL HIGH YIELD FUND, INC. (GHY)

MARCH 31, 2019

FORMERLY NAMED
PGIM GLOBAL SHORT DURATION HIGH YIELD FUND, INC.

DESCRIPTION OF FUND

The PGIM Global High Yield Fund (the "Fund") is a closed-end fund that trades on the NYSE under the symbol GHY. The Fund seeks to provide a high level of current income by investing primarily in below investment-grade fixed income instruments of issuers located around the world, including emerging markets. The Fund may investment in instruments of any duration or maturity.

MARKET REVIEW

US

In the first quarter, the U.S. high yield marked posted a total return of +7.40%. Over the same period, spreads tightened 128 bps and are now 89 bps above the post-crisis tight of 316 bps that was reached in early 2018.

By quality, while CCCs led the way in Q1 with a total return of +7.40%, they have only partially recouped the Q4 2018 total return of -10.35%. Meanwhile, BBs and Bs generated total returns of +7.38% and +7.27%, respectively in Q1. Energy was the top performing sector in Q1, helped by a 29% bounce in oil prices as Saudi Arabia and Russia pledged to cut production. Airlines was the weakest performer on margin pressure associated with higher oil prices.

Default activity continued to fall globally. According to Moody's, the trailing 12-month global speculative grade issuer default rate ended February at 2.1%, down from 2.3% at year-end 2018. Looking ahead, Moody's expects the global default rate to continue its downward trend, predicting that the global speculative-grade default rate will fall to 1.5% by the end of Q1 2020.

Demand for U.S. high yield turned positive in the first quarter on generally positive market sentiment. In aggregate. retail bond funds reported quarterly inflows in excess of $13 billion. The new issue pipeline has been generally slow to develop in 2019 with U.S. high yield gross issuance totaling just $65 billion. Despite lower gross issuance as refinancing activity has declined, net new issuance has jumped by 35% from last year due to a pickup in acquisition-related volume. The quality of the new issue calendar also continued to improve this year, with about 10% of volume coming from split-B- or CCC-rated issues. Issuance in these low-rated categories has not dipped below 10% since 2002. The high yield market also has issued a greater number of senior secured bonds as the Fed's dovish tilt drove a demand to shift to fixed-rate paper, which diminished the level of secured loan issuance.

EUROPE

European high yield got off to a strong start in 2019, with the European high yield index posting an excess returns of +438 bps vs. swaps, snapping back sharply from Q4's weakness. Concerns around decelerating global growth were largely shrugged off due to accommodative central bank policies, a lack of new issue supply, and a stabilization/reversals of fund flows, all of which helped drive spreads tighter by 110 bps.

Echoing the trend from Q4, the European high yield primary pipeline remained relatively quiet in Q1. Overall, gross issuance totaled €9.4 billion, which compares to €19.6 billion in Q1 2018. On a net basis, issuance is close to zero, as almost all offerings have been used to refinance existing debt. In what had been a drag on the market in 2018, fund flow activity stabilized during the quarter, led by continued strong demand for the short duration segment of the market. Moody's default rate dropped below 1% (to 0.9%) for the first time since September 2008. Europe has yet to record a default this year.

EMERGING MARKETS

The turn of the year roughly marked the bottom of the emerging markets (EM) fixed income selloff. In Q1 2019, hard currency EM outperformed, led by higher risk countries such as Argentina, Ecuador, Venezuela, Iraq, and Angola. The rally was driven by global macro and EM factors. The Fed and ECB's shift to a more accommodative stance was augmented by increased China stimulus, more positive news regarding Argentina's external accounts and IMF program, and optimism that pension reform in Brazil may be passed in Q3. Technicals remained supportive amid elevated investor cash levels after the 2018 selloff, meager new issue sovereign supply ($171 billion vs. $148 billion YTD 2018), and robust inflows into hard currency funds of $27.4 billion. The strong primary market performance indicated the support.

QUARTER

For the first quarter, the PGIM Global High Yield Fund outperformed the Bloomberg Barclays Global High Yield Index (2% issuer capped) on a gross basis.

PGIM INVESTMENTS

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Having more risk on in the portfolio relative to the benchmark was the primary driver of returns over the quarter.

Overall industry selection boosted performance on the quarter and was driven primarily from the strategy's overweight to the technology and retail & restaurant sectors. An underweight to banking also positively impacted results.

Security selection also positively contributed to returns on the quarter. Positioning in EM sovereigns and the media & entertainment sector added to performance. Positioning in capital goods also boosted returns. This was partially offset by issue selection within the upstream energy sector which hurt performance.

The Fund's use of leverage added to both NAV performance and shareholder distributions, as the cost of borrowing was in excess of the returns of the securities purchased, and the income earned on the securities exceeded the cost of borrowing.

The Fund returned 9.31% based on market price total return over the quarter, outperforming its NAV total return of 6.75%. The Fund's market price ended the quarter at a 13.79% discount to NAV. The average high yield closed end fund discount widened to 5.6%.

PORTFOLIO OUTLOOK

We remain constructive on U.S. high yield as a result of solid fundamentals (strong earnings and low defaults), favorable supply technicals, dovish central banks, and our view that visible risks (U.S./China trade dispute, Brexit, U.S. fiscal stimulus cliff in 2020, etc.) will not cause a recession in the next 18 months. We're opportunistically adding to out-of-benchmark positions, such as European reverse Yankee issues, high-quality bank loans, and select fallen angel candidates. We're also tactically moving out the spread curve as we seek to take advantage of its steepness and are maintaining overweights to independent power producers and U.S. consumer-related names. We remain cautious on commodities. In European high yield, we are positive in the short term, but cautious long term amid global growth and European political concerns. Within EM, we are also positive. With expectations for broadly dovish global central banks, recovering growth in China, and progress on the trade front, EM assets will likely continue performing well.

FUND INFORMATION (AS OF 3/31/2019)

Portfolio Statistics	
Leverage Adjusted Duration	4.1
Leverage %	28.1%

Distribution Information	
Current Distribution (Monthly)	$0.1000
Distribution Rate on NAV	7.42%
Distribution Rate on Market Price	8.61%

On March 8, 2019 the Fund declared monthly distributions of $0.1000 per share for March, April, and May.

Top 3 Sector Overweights

Sector	Portfolio	Benchmark
Gaming	4.57	1.98
Media & Entertainment	5.71	3.21
Retailers	4.05	1.87

Top 3 Sector Underweights

Sector	Portfolio	Benchmark
Banking	1.23	4.62
Other Energy	3.98	5.65
Insurance	0.35	1.52

Regional Allocation (%)

Region	Portfolio	Benchmark
US	56.9	46.6
Non-US Developed	19.3	20.8
EM	17.8	32.6

PGIM GLOBAL HIGH YIELD FUND, INC. (GHY)

MARCH 31, 2019

AVERAGE ANNUAL RETURN AS OF 3/31/2019						
Total Returns (without sales charges)	**Quarter (Cumulative)**	**YTD (Cumulative)**	**1-year**	**3-year**	**5-Year**	**Since 12/26/2012**
Market Price	9.31	9.31	8.15	5.69	4.08	2.73
NAV	6.75	6.75	6.57	7.10	4.73	5.12

Past performance does not guarantee future results, and current performance may be lower or higher than the past performance data quoted. The investment return and principal value will fluctuate, and shares, when sold, may be worth more or less than the original cost. For the most recent month-end performance, visit pgiminvestments.com.

Total return describes the return to the investor after net operating expenses but before any sales charges are imposed. **Market Price Total Return** shows the actual return to investors and is based on the Market Price. **NAV Price Total Return** shows the return based on the NAV price. All returns assume share price changes as well as the compounding effect of reinvested dividends and capital gains. Returns may reflect fee waivers and/or expense reimbursements. Without such, returns would be lower. All returns 1-year or less are cumulative.

The Fund invests in **high yield ("junk") bonds**, which are subject to greater credit and market risks; **derivative securities**, which may carry market, credit, and liquidity risks; **foreign securities**, which are subject to currency fluctuation and political uncertainty; and emerging markets securities, which are subject to greater volatility and price declines. **Fixed income investments** are subject to interest rate risk, where their value will decline as interest rates rise. There are fees and expenses involved with investing in the Fund. Diversification does not assure a profit or protect against a loss in declining markets. There is no guarantee that dividends or distributions will be paid. Allocations are subject to change.

Distribution Rates are calculated by annualizing the amount of the most recent distribution paid, excluding special distributions, divided by the previous day's closing market price or NAV. **Special Distributions** are any distribution made by the Fund in addition to the regular periodic distribution. The Fund estimates that the most recent distribution will be paid from: 100% investment income; 0% realized capital gains; and 0% return or capital. The Distribution Rate is subject to change and is not a quotation of Fund performance. For more information about a distribution's composition, refer to the distribution press release or Section 19 notice located at www.pgiminvestments.com. Please consult your tax advisor for further information. **Leverage Adjusted Duration** is the fund's average duration and includes the impact of leverage. **Duration** is a measure of investment risk that considers both a bond's interest payments and its value to maturity. **Market Price** is the closing price of a closed-end fund on the New York Stock Exchange (NYSE), as of the trading day noted. **NAV** is total assets less total liabilities, divided by the number of shares outstanding. **Premium/Discount** is the percent difference between the Market Price and the NAV. There is no guarantee that you will receive the stated Premium/Discount and additional fees may result from individual broker fees and transaction costs in the secondary market. **Brexit** refers to Britain's departure from the European Union.

LIBOR (1 Month LIBOR - London InterBank Offered Rate) is the 1-month reference rate based on the interest rates at which banks borrow unsecured funds from other banks in the London wholesale money markets.

Bloomberg Barclays. **Bloomberg Barclays Global High Yield Index (2% issuer capped)** represents the performance of U.S., developed markets' and emerging markets' high yield bonds. **Broad high yield index: BofAML US High Yield Master II Constrained Index** tracks the performance of US dollar denominated below investment grade rated corporate debt publicly issued in the US domestic market**. Bloomberg Barclays Global High-Yield Index (Dollar Hedged**) provides a broad-based measure of the global high-yield fixed income markets. The Global High-Yield Index represents the union of the U.S. High-Yield, Pan-European High-Yield, U.S. Emerging Markets High-Yield, and Pan-European Emerging Markets High-Yield Indices. Currency is hedged back to the dollar. **Bloomberg Barclays U.S. High Yield Ba/B 1-5 year Index (1% issuer capped)** is an unmanaged, issuer-constrained version of the Barclays U.S. Corporate High Yield Index that covers the U.S. dollar denominated, non-investment grade, fixed-rate, taxable corporate bond market. The Index follows the same construction rules as the uncapped index, but limits issuer exposure to maturities 1-5 years credit quality of Ba/B and a maximum 1% and redistributes the excess market value index-wide on a pro-rata basis. **Bloomberg Barclays U.S. High Yield 1% Issuer Capped Index** is an unmanaged, issuer-constrained version of the Bloomberg Barclays U.S. Corporate High Yield Index that covers the U.S. dollar denominated, non-investment grade, fixed-rate, taxable corporate bond market. The Index follows the same construction rules as the uncapped index, but limits issuer exposure to a maximum 1% and redistributes the excess market value index-wide on a pro-rata basis. A **Reverse Yankee Bond** is a bond, mostly of a higher grade, issued by a U.S. company outside the U.S., and denominated in a currency other than the U.S. dollar.

The views expressed herein are those of PGIM Fixed Income at the time the comments were made, may not be reflective of their current opinions, and are subject to change without notice.

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