

## PGIM GLOBAL TOTAL RETURN FUND — COMMENTARY

ADVISORY SHARE CLASS

OTHER SHARE CLASSES

Z: PZTRX

A: GTRAX C: PCTRX R2: PGTOX R4: PGTSX R6: PGTX

Barron's Best Fund Families: Ranked #4 for best fund family over the 1-year period ended 12/31/2024, among 48 qualifying fund families based on asset-weighted returns.

## MARKET REVIEW

- In Q1, U.S. rates and the dollar fell, and equities underperformed. Fixed income assets posted positive total returns even as spreads widened for most sectors. Spreads did tighten for European investment grade (IG) corporates and certain securitized product subsectors (e.g., commercial mortgage-backed securities (CMBS), collateralized loan obligations (CLOs), and asset-backed securities (ABS). Notably, European credit spreads tightened amidst expectations for accelerating European growth on the back of the announcement of a new fiscal package out of Germany.
- Ongoing policy uncertainty seems destined to prompt bouts of market turbulence. In the U.S., anxiety regarding rapidly shifting government policies—e.g., Department of Government Efficiency (DOGE) layoffs, tariffs, and the immigration crackdown—broke (or, at a minimum), interrupted the mystique of “American Exceptionalism.” The Federal Reserve (Fed) indicated that uncertainty may affect its future policy decisions, which adds context to potential market-related effects. That stated, when the Fed reaches the point of rate cuts, we believe it will act rather decisively in easing policy. Indeed, our market-implied model for three-month secured overnight financial rate (SOFR) by year end indicates rising probabilities for a Fed funds rate between zero and 4.0% and falling probabilities for an outcome greater than 4.0%.
- In addition, as U.S. policy uncertainty climbs, it appears poised to reorder global trade relationships. The U.S. administration's imposition of reciprocal/across the board tariffs significantly increases the likelihood of tail outcomes on a global scale. Should trading partners retaliate with tariffs, we expect an even larger hit to growth.
- Our assessment of the global macroeconomic fallout from the tariff developments (announced on April 2nd) includes a reduction in our 2025 U.S. gross domestic product (GDP) forecast from 2.2% to 1.5%. In a downside escalation scenario, that outcome could remove an additional one percentage point (ppt) from the revised estimate, and the upside scenario of capitulation could add 0.5 ppt. We have also reduced our EA growth forecast from 0.8% to 0.6%, with the upside/downside scenarios carrying a 0.5 ppt adjustment in either direction. Our estimate for 4.2% GDP growth in China could take a 1 ppt hit in the downside scenario and receive a 1 ppt boost in the upside scenario.
- Potential developments in our tariff-related base case scenario include: about half of the announced tariffs roll back on negotiations, leaving the effective U.S. tariff rate in the 12% area (up from the 2% area to start the year); less than a 1:1 retaliation from the rest of world (RoW); reduced potential for monetary and fiscal policy support vs. RoW amidst one-off price effects and possibly constrained fiscal space; gradual Fed rate cuts combined with relatively hawkish Fed rhetoric; and the likelihood that the European Central Bank (ECB) and Bank of England (BoE) remain on their easing trajectories, with the ECB cutting the deposit rate two more times to 2% by the summer. Labor markets also remain key in this scenario with unemployment in the U.S. and UK remaining below 5% and below 7% in the EA.
- Our downside scenario includes announced tariff levels that stick; expanded global retaliation that could encompass services; ECB/BoE rate cuts to below neutral, opening up fiscal space for industrial strategies/pacts across like-minded countries/regions; a slowing U.S. economy that increases the deficit further, potentially shrinking the capacity for fiscal stimulus; reduced inflows into the U.S. that push long-term yields higher and weaken the dollar; intensifying credit pressures; and a Fed that is compelled to address the fallout, abandoning its meeting-to-meeting, data dependent approach.
- Our upside scenario is relatively capped (i.e., the asymmetric upside/downside changes to U.S. growth) amidst the lingering effects from uncertainty and strained relationships, and it potentially consists of another head fake where the U.S. and RoW capitulate to lower-than announced tariffs, leading to a rally in risk markets.

## YIELDS, SPREADS, AND RETURNS AS OF 3/31/2025

	Yield (%)	Spreads			Return QTD (%)
		12/31/24	3/31/25	(+/-)	
<b>Investment Grade</b>					
Global Aggregate	3.6	35	34	-1	2.6
US Treasuries	4.1	—	—	—	2.9
US Aggregate	4.6	34	35	+1	2.8
US Credit	5.1	77	89	+12	2.4
Global Corporates	4.6	89	97	+9	2.8
Pan-Euro Corporates	3.6	101	99	-2	-0.2
<b>Below IG</b>					
US High Yield	7.7	287	347	+60	1.0
Pan-Euro High Yield	6.3	318	346	+28	0.5
US Leveraged Loans	8.6	475	498	+23	0.6
<b>US Structured Products</b>					
MBS	4.9	43	36	-7	3.1
ABS	4.6	44	60	+16	1.5
CMBS	4.9	80	88	+8	2.6
CLOs	5.9	205	213	+8	1.1
AAA	5.1	113	134	+22	1.1
AA	5.6	151	185	+33	1.1
A	5.9	188	212	+24	1.2
BBB	7.1	301	333	+32	1.1

Source: PGIM, Bloomberg as of 3/31/2025. Past performance is not indicative of future results.

**Barron's:** PGIM Investments ranked 4 out of 48, 8 out of 47, 12 out of 46 firms for the 1-, 5-, and 10-year periods ended 12/31/2024, respectively. See back page for methodology which takes into account Lipper rankings. PGIM Global Total Return Bond Fund (Class Z) Lipper total return ranking for the 1-, 3-, 5-, and 10-year periods as of 12/31/2024 for the Global Income Funds category were: 144/218, 156/206, 149/194, and 69/144, respectively. Lipper Funds category rankings are based on total return, do not take sales charges into account, and are calculated against all funds in each fund's respective Lipper category. Lipper total return ranking for the 1-, 3-, 5-, and 10-year periods as of 3/31/2025: 69/209, 129/203, 129/188, and 55/143, respectively. Past performance is no guarantee of future results.

## MARKET REVIEW (CONTINUED)

- We would expect countries to safeguard against a “tariff cascade” wherein global excess capacity worsens and leads to dumping—a concern for large economic regions such as the European Union (EU)—that could add further downward inflationary pressure outside of the U.S. In such a case, the growth impact would be more significant than the inflationary impact. This moderating effect on global inflationary trends acts as an offset to trade barriers and is a key contributing factor to our overarching view of global moderation.
- Meanwhile, China's domination of global supply chains coupled with compositional differences in the trade basket and the underlying shift in Chinese consumption patterns suggest that retaliatory tariffs from China are unlikely to hurt Chinese consumers or change the deflationary narrative.
- Investors are de-risking, and it is difficult to predict when this process will end. As current tariff policy presents a negative supply shock that may not reverse quickly. Furthermore, the Fed is in no rush to cut rates given inflationary risks. Policy uncertainty increases market pressure and financial stability risks. As a result, markets remain vulnerable even though valuations are cheaper.
- In terms of credit, the healthy fundamental set-up at the start of the year has also been obscured by considerable trade uncertainty. Fundamentals still skew positive, but earnings expectations are coming down—albeit from healthy levels. We expect fundamental trends to vary by industry and remain watchful of more cyclical and consumer discretionary sectors, as well as those that might be disproportionately impacted by tariffs.
- At present, we prefer to be patient and remain up-in-quality in risk markets. From current yield levels, bonds—especially those in the higher-yielding sectors—should generate respectable returns while intermittent volatility may continue to create opportunities to add value. That stated, extreme market movements are not to be confused with changes in fundamental market trends. As a result, we continue to rely on research and analysis to distinguish the market spasms from true changes in value and capitalize on reversions back to fundamentals.

## 1Q 2025 PERFORMANCE

- The Fund outperformed its benchmark, the Bloomberg Global Aggregate Bond Index, on a gross basis.
- Overall security selection was the largest contributor to performance during the period, with selection in U.S. Treasuries, EM high yield, EM IG, U.S. high yield corporates, U.S. sovereign credits, U.S. IG corporates, AAA CLOs, European sovereign credits, and taxable municipals bonds contributing the most.
- Overall sector allocation contributed to performance during the period, with overweights to the EM high yield, EM IG, European sovereign credit, European IG corporate, and U.S. sovereign credit sectors contributing the most. This was partially offset by an overweight to the U.S. high yield corporate sector, which detracted the most.
- Within credit, positioning in banking, electric utilities, life insurance, telecom, automotives, and healthcare & pharmaceuticals contributed the most. Positioning in midstream energy was the largest detractor from performance during the period.
- During the quarter, the Fund's duration and yield curve positioning contributed to performance as yields in the intermediate- and long-term portion of the U.S. Treasury curve declined.
- From a market perspective, having more risk, on average, over the period than the relevant benchmark detracted from results.

## TOP-DOWN MACRO POSITIONING

**Duration** (Current: 6.7 yrs, Previous Quarter: 6.9 yrs)

- At the outset of developed market central bank easing cycles, most anticipated a consistent, downward easing cycle that would take policy rates from their multi-year peaks to neutral (or thereabouts). However, the potential shifts in global trade, the relative stickiness of inflation, and overriding data dependency continues to reshape expectations.
- The post-COVID bond market has been prone to dramatic overreactions and course corrections as participants struggle to understand the post-pandemic paradigm. Moreover, current geopolitical and U.S. policy dynamics have recently led to marked volatility (within the context of a bull market).
- As a result, we have leaned long U.S. Treasuries and would reinforce that view, with more conviction at the belly given risks to growth and more cautious at the long end given macro/inflation/fiscal and term premium risks.

## Curve Positioning

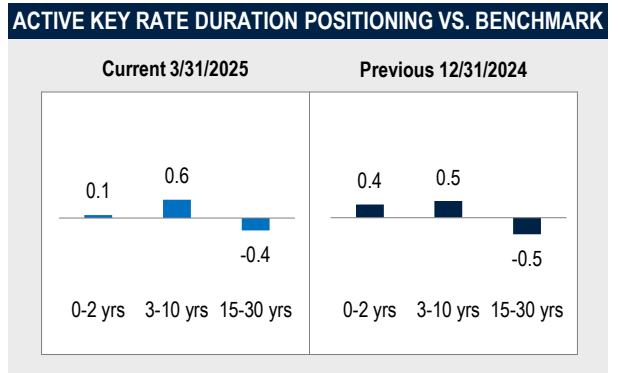
- The moderating growth backdrop should support central banks' pre-existing bias to cut rates and cushion downside risks, while making the possibility of rate hikes even more remote—despite the potential for tariff-driven increases in inflation.
- Coming from a period of high inflation and nascent inflation expectations risks, the Fed has signaled a reactive approach going forward. While such an approach makes the Fed slow to react, it opens room for the market to price in lower rates on the front end/belly of the curve. However, lingering questions on debt dynamics and term premium may weigh on the back end.

## BOTTOM-UP SECTOR POSITIONING

- While the current economic environment remains favorable for U.S. and European corporate credit, the healthy set-up to start the year has been obscured by considerable trade uncertainty. Fundamentals still skew positive, but earnings expectations are coming down—albeit from healthy levels. We expect fundamental trends to vary by industry and remain watchful of more cyclical and consumer discretionary sectors, as well as those that might be disproportionately impacted by tariffs.

DURATION VS. BENCHMARK		
	Current 3/31/25	Previous 12/31/24
Fund (years)	6.7	6.9
Benchmark (years)	6.4	6.4
Active (+/-)	0.3	0.5

Source: PGIM. Fund U.S. Dollar Duration contribution: 2.3 years vs. Benchmark 2.7 years as of 3/31/2025.



Source: PGIM.

## COUNTRY EXPOSURE (% OF ASSETS)

	FUND	BENCH-MARK	OVER-WEIGHT
European Union	5.2	0.0	+5.2
Greece	3.3	0.1	+3.2
Colombia	2.6	0.1	+2.5
Mexico	2.9	0.5	+2.4
Indonesia	2.5	0.6	+1.9

	FUND	BENCH-MARK	UNDER-WEIGHT
Japan	-0.5	9.6	-10.1
China	3.4	10.0	-6.6
United States	35.3	41.3	-5.9
Germany	1.5	4.6	-3.2
Supranational	0.6	2.5	-1.9

## CURRENCY EXPOSURE (% OF ASSETS)

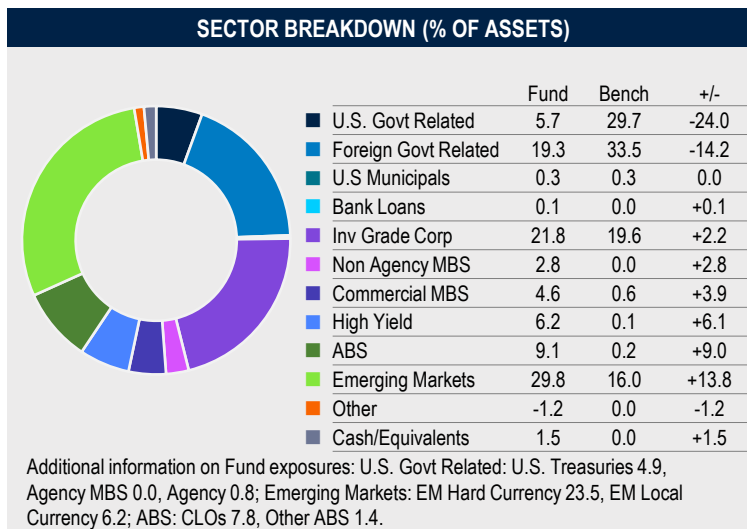
	FUND	BENCH-MARK	OVER-WEIGHT
Chinese Offshore Yuan	7.5	0.0	+7.5
Japanese Yen	9.3	9.2	+0.1
Brazilian Real	0.1	0.0	+0.1
Turkish Lira	0.1	0.0	+0.1
Mexican Peso	0.4	0.3	+0.1

	FUND	BENCH-MARK	UNDER-WEIGHT
Chinese Yuan	2.1	9.7	-7.5
United States Dollar	45.4	46.1	-0.7
Indonesian Rupiah	0.4	0.4	-0.1
Israeli Shekel	0.1	0.1	0.0
New Zealand Dollar	0.2	0.2	0.0

Source: PGIM as of 3/31/2025. Values may not sum due to rounding. Cash/Equivalents includes USD and may include Non-USD currencies. Allocations are subject to change.

## BOTTOM-UP SECTOR POSITIONING (CONTINUED)

- The upside/downside risk, from a market perspective, is lackluster as economic risks remain amidst elevated domestic and geopolitical uncertainty. We do not feel compelled to chase spreads in the current environment and favor carry, idiosyncratic stories, and relative value rather than directional views.
- At this stage in the credit cycle, more frequent event risks, consumers' increasing focus on essentials, and moderating credit metrics (along with increased distressed exchanges), point our allocations towards high-quality securities. We remain overweight an array of credit sectors including both investment-grade and high yield corporates, high-quality structured products, and EM.



Source: PGIM, Fund data as of 3/31/2025 unless otherwise noted. Values may not sum due to rounding. Allocations are subject to change.

## CORPORATE CREDIT

### Investment-Grade Corporates (Current: 21.8%, Previous Quarter 21.7%)

- Credit fundamentals are somewhat weaker. Per Q4 2024 earnings releases, EBITDA margins were down 0.2 percentage points quarter over quarter (QoQ), and net leverage was flat (2.9x, QoQ), but up 0.1x year over year (YoY). Since then, Trump's tariffs have exposed sectors such as autos, technology, and chemicals to additional risk. Considering policy uncertainty, Q1 earnings estimates have come down from an expected growth rate of +11.6% (YoY) at the end of 2024 to the current estimate of +7.1% (YoY).
- Tariff policy announcements have eroded market confidence. The potential deferral of capex spending and moderation of mergers & acquisitions (M&A) activity in the upcoming quarters provide some reassurance, as it may help maintain corporate credit metrics. Furthermore, management teams may be reticent to reduce headcount considering the lack of macro clarity.
- Despite the uncertainty, technicals (which have supported tight IG spreads have thus far) have largely remained in place with strong demand for high all-in yields. However, the relative attractiveness of U.S. IG has begun to lessen. A softer macro backdrop could bring lower yields, an influx of issuance, and a drop in demand which could lead to supply indigestion. On a positive note, our base case expectations are for net supply to fall as we enter the second quarter with less issuance and higher maturities than seen in the first quarter.
- In terms of sectors, we are underweight industrials, and overweight financials (particularly the "Big 6" money center banks) and utilities. Potential market risks include an economic slowdown, consumer weakness, rate volatility, leveraging events like resurgent M&A or share buybacks, and geopolitical risks.

### High Yield Corporates (Current: 6.2%, Previous Quarter 7.4%)

- In high yield corporates, technical and credit conditions remain solid. The ongoing net supply deficit and robust inflows are supportive, and absolute yields remain attractive. Further, with overall levels of credit quality in the market at historic highs and a manageable near-term maturity wall, the default rate should remain benign. Furthermore, a significant dispersion in lower-tier credits could create relative value opportunities.
- Although our base-case calls for moderating, yet continued, economic growth and contained inflation, trade conflicts and targeted Federal spending cuts create volatility and uncertainty around the path of economic growth. We have noted recent earnings weakness and weaker guidance in key industries, e.g., building products, and consumer products, however, we believe the central bank "put" remains in play should economic conditions deteriorate.
- While the Trump administration's agenda may seek long-term economic benefits, we are wary of the near-term effects. As such, we maintain our close-to-home defensive positioning with an overweight to high-quality, short duration high yield in the U.S. and underweights to cyclicals as well as potential tariff impacted names in Europe.
- In terms of sectors, we are overweight home construction, healthcare & pharmaceutical, and midstream energy, and underweight technology, media & entertainment, and retailers & restaurants. Recent reductions have included cash positions trading at historically tight spreads in favor of high yield certificates of deposit (CDs) to capture the positive basis.

### Bank Loans (Current: 0.1%, Previous Quarter 0.6%)

- Although Q1 returns were muted, we continue to see another solid year ahead with a bank loan total return forecast of 6.5% in 2025. Our forecast is supported by high all-in current coupons and yields, strong CLO formation, and continued inflows from institutional and retail investors. However, sharply higher net issuance volume and easing SOFR rates bringing coupons lower as the year progresses could ultimately weigh on total returns.
- We continue to favor public BB and high B loans over sponsor-owned, low B and CCC loans as we expect those lower-quality facilities will be challenged by the fundamental backdrop. We believe that credit selection and deep, fundamental credit research/modeling is becoming increasingly important. To that end, avoidance of defaults will likely be the biggest driver of alpha over the next 12-24 months.

**U.S. GOVERNMENT RELATED****U.S. Treasuries (Current: 4.9%, Previous Quarter 4.8%)**

- At this point, the markets are pricing slightly more than 100 basis points of Fed rate cuts through year end. However, in addition to Powell's reticence to quickly cutting rates, it's unclear how much of a cushion they could provide the economy. That said, when the Fed reaches the point of rate cuts, we believe it will act rather decisively in easing policy. Indeed, our market-implied model for three-month SOFR by year end indicates rising probabilities for a Fed funds rate between zero and 4.0% and falling probabilities for an outcome greater than 4.0%.
- The U.S. could also face mounting questions about its fiscal trajectory and the plans—or lack thereof—to address its expanding fiscal deficit. Treasury auction results will remain an area to watch closely, given the ongoing deterioration in U.S. fiscal measures.

**U.S. Mortgage-Backed Securities (Current: 0.0%, Previous Quarter 0.0%)**

- Although Index-level spreads are currently not overly compelling, zero-volatility spreads remain attractive – particularly in higher coupons.
- Though we continue to expect net supply to look quite similar to 2024—less than \$200 billion in total net issuance—given elevated mortgage rates and lack of affordable housing, we expect a pickup in origination in Q2 amid the sharp decline in rates in early April and as we enter the Spring upswing.
- If the pace of rate cuts remains gradual, prepayment activity is likely to stay muted. Banks are also likely to remain a source of demand in 2025, with the potential that revised regulations under the Trump administration could render MBS holdings less capital-intensive.

**NON-U.S. BONDS****Foreign Government Related (Current: 19.3%, Previous Quarter 17.7%)**

- Some observers may regard Germany's recent fiscal announcements as a sign that Europe is entering a new fiscal paradigm that is on a converging path with the U.S. This potential outcome is reflected in the thicker right tail of our European economic scenarios. The recent jump in 10-year bund yields to a near six-month high seemingly supports that right-tail narrative. However, with a base case for continued economic moderation, we view the market reaction as another case of an extreme market move under uncertain, volatile conditions.
- Hence, long positioning in bunds—and other European rate markets where moves outpaced fundamentals—could be approached from a carry-and-roll perspective as well as from a relative value perspective vis-a-vis the U.S. Indeed, bunds appear to have more carry than U.S. Treasuries and are of higher quality with less outstanding supply and lower government deficits well into the foreseeable future. Furthermore, Europe's latest inflation data remains in line with expectations, which is critical to facilitating our expectation of two additional ECB rate cuts to 2% by midyear.
- Japan's economy also followed a convergence theme in Q1 amidst its steady recovery and a solid Spring wage round. This should provide the Bank of Japan (BoJ) with room to gradually continue lifting policy rates. In divergence from the relatively flat move in the 10-year U.S. Treasury in Q1, the 10-year Japanese government bond yield continued its consistent climb into the 1.50% area.

**Emerging Markets Debt (EMD) (Current: 29.8%, Previous Quarter 27.5%)**

- Given the magnitude of the tariff news and the early reaction in markets, we do not yet think we are at an appropriate time to add risk. However, within many EM countries, we would take any meaningful sell-off as a promising buying opportunity as we believe we are entering a period when EM spreads and EM foreign exchange (EMFX) can provide strong outperformance versus the U.S. and developed markets. Given the high all-in carry of the Index, we believe the uncertainty is being compensated fairly—the current coupon generation of the index can offset 95 basis points of spread widening without any move in core rates, so expected total returns skew positive.
- EMFX—Currency dynamics are likely to be shaped by factors already identified as relevant to the wider EM asset class, including U.S. interest rates/Fed expectations. Potential performance of U.S. growth coupled with relatively high U.S. interest rates points to a small, long U.S. dollar bias against select low-carry currencies in Asia and Europe.
- Following the tariffs announcement, we see the trajectory of the U.S. dollar as a two-part story. In the near term, the dollar could find additional support—as it did the day after the reciprocal tariff announcement—on a safe-haven bid, Fed Chair Powell's comments that it will be patient in setting monetary policy (not rushing towards rate cuts), reduced trade-related flows to the rest of the world, and entities that may accumulate dollars to repay dollar-denominated debt. Beyond these short-term effects, the dollar may be poised to continue its pre-April 2 weakening as the effective tariff rate acts as a similar devaluation on the currency. Eventual Fed rate cuts and the potential for equity market outflows could contribute to a weaker U.S. dollar over the long term as well.
- EM Local Markets—We are cautiously optimistic on EM duration and expect a wide dispersion among countries due to idiosyncratic factors. However, a lack of support from further monetary easing amounts to a meaningful headwind.
- EM corporates continue to offer opportunities to diversify, and we expect any spread weakness to be short-lived given the attractive yields and resilient fundamentals. The asset class has experienced fewer idiosyncratic surprises, and non-dedicated investors have shown appetite for the asset class given the spread pick-up. Near-term technicals could weaken somewhat on heavier supply and/or news of additional tariffs on China and Mexico.

**SECURITIZED****Commercial Mortgage-Backed Securities (CMBS) (Current: 4.6%, Previous Quarter 4.4%)**

- Commercial real estate pricing continues adjusting to the elevated interest-rate environment, with price indices indicating an approaching trough in valuations. Delinquencies and modifications will continue as loans reach maturity or face refinancing challenges due to lower valuations and higher coupon rates.
- We continue to see value within 5-year conduit AAA securities as spreads look attractive relative to similar tenor IG corporate bonds. Down the capital stack, we continue to see value in select single-asset, single-borrower securities and are selectively adding exposure.

**Collateralized Loan Obligations (CLOs) (Current: 7.8%, Previous Quarter 8.4%)**

- In CLOs, senior tranches continue to offer attractive relative value compared to many fixed income asset classes. However, credit concerns in the underlying bank loans could outweigh the prevailing technical support.
- Furthermore, while bank loan spreads have been supported by low net supply and strong demand, we expect to see some credit deterioration via downgrades to CCC, increased default rates, and lower recovery rates.
- We are selectively adding new issue mezzanine tranches where there are additional carry opportunities. In the U.S., we find value in selling higher premium, longer duration bonds, and rotating into spread-neutral primary transactions. In Europe, discounted bonds offer some total return potential.

**Non U.S. Mortgage-Backed Securities (Current: 2.8%, Previous Quarter 2.9%)**

- Although higher mortgage rates have weighed on affordability and demand, prices remain firmly below the average supply of existing homes. Given the persistence of strong underwriting practices, we remain constructive on mortgage credit instruments while acknowledging the uptick in delinquencies in FHA and non-qualified mortgage (non-QM) pools.
- We see value in reperforming loans (RPLs), and second-lien bonds given their spreads over corporates and other non-agency securitized products. However, valuations of credit risk transfer (CRT) bonds – largely from Fannie/Freddie mortgages—are stretched after the significant spread rally.

**Other ABS (Current: 1.4%, Previous Quarter 1.5%)**

- Prime consumer credit remains resilient, while the effects of inflation and lower disposable income continue to weigh on the weakest consumer segments and are starting to weigh on the near-prime segment. We remain vigilant for signs that the weakening in consumer credit is spreading. We remain positive on spreads in the near term but are mindful of heavy supply headwinds.
- We favor top-tier unsecured consumer and subprime auto issuers, as well as significant risk transfers (SRTs) as they provide exposure to high-quality consumer assets. Looking forward, changes in banking regulation may lead to more opportunities via asset sales or regulatory transactions.

**AVERAGE ANNUAL TOTAL RETURNS % AS OF 3/31/2025**

SEC Standardized Returns (with sales charges)	1-Year	3-Year	5-Year	10-Year	SI	Inception Date	Gross	Net	Waiver Date
PGIM Global Total Return Z	4.73	-0.23	-0.16	1.56	3.99	3/17/1997	0.65	0.63	2/28/2026
PGIM Global Total Return A	1.08	-1.53	-1.08	0.97	5.56	7/7/1986	0.95	0.88	2/28/2026

**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 our website at [pgiminvestments.com](http://pgiminvestments.com). Fund R6 returns represent Morningstar extended performance returns, which link pre-inception returns to fund's oldest share class (Class A). Maximum sales charge: Class A, 3.25%. Expenses are as of the most recent prospectus.** Annualized return without sales charges describes the return to the investor before any sales charges are imposed. SEC standardized return describes the return to the investor after maximum sales charges are imposed. 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. Performance by share class may vary.

**Risk Information**—Risks of investing in the fund include but are not limited to the following: Fixed Income investments are subject to **credit, market, prepayment and interest rate risks**, and their value will decline as interest rates rise. **High yield ("junk") bonds** are subject to greater credit and market risks. **Foreign securities** are subject to currency fluctuations and political uncertainty. **Emerging market investments** are subject to greater volatility and price declines. Investments in **currency** may result in a decline in the fund's net asset value due to changes in exchange rates. **Mortgage-backed and asset-backed securities** tend to increase in value less than other debt securities when interest rates decline, but are subject to a similar risk of decline in market value during periods of rising interest rates. **Derivatives** may carry market, credit and liquidity risks. There is no guarantee the Fund's objective will be achieved. Risks are more fully explained in the fund's prospectus.

**Definitions and Indices**—**Morningstar Intermediate Core-Plus Bond Category Average** is comprised of portfolios that invest primarily in corporate and other investment-grade U.S. fixed income issues and have durations of 3.5 to six years. The **Bloomberg Global Aggregate Bond Index** provides a broad-based measure of the global investment-grade fixed income markets, with index components for the U.S. Aggregate, the Pan-European Aggregate, and the Asian Pacific Aggregate. This multi-currency benchmark includes Treasury, government-related, corporate and securitized fixed rate bonds from both developed and emerging markets issuers. **Bloomberg U.S. Aggregate Bond Index** covers the U.S.-dollar-denominated, investment-grade, fixed rate, taxable bond market of SEC-registered securities. An investment cannot be made directly in an index or an average. All indexes and averages are unmanaged. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors, own all proprietary rights in the Bloomberg Indices. Bloomberg neither approves or endorses this material or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.

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Class R2 shares and Class R4 shares are only offered for sale to group retirement plans available through a retirement record keeper or third-party administrator. Class R6 and Z shares may be available to group retirement plans and institutional investors through certain retirement, mutual fund wrap, and asset allocation programs. They may also be available to institutional investors. Class Z shares may be available through fee- or commission-based retail brokerage programs of certain financial intermediaries. Class A, C, and Z shares are generally closed to new retirement plans. Please see the prospectus for additional information about fees, expenses, and investor eligibility.

**Barron's:** Used with permission. ©2025 Dow Jones & Company, Inc. Source: Barron's, Feb. 27, 2025. Barron's rankings are based on asset-weighted returns in funds in five categories: U.S. Equity; World Equity; Mixed Asset; Taxable Bond; and Tax-Exempt (each a "Barron's ranking category"). Rankings also take into account an individual fund's performance within its Lipper peer universe. Lipper calculated each fund's net total return for the year ended Dec. 31, 2024, minus the effects of 12b-1 fees and sales charges. Each fund in the survey was given a percentile ranking, with 100 the highest and 1 the lowest in its category. That ranking measured how a fund compared with its peer "universe," as tracked by Lipper, not just the funds in the survey. Individual fund scores were then multiplied by the 2024 weighting of their Barron's ranking category as determined by the entire Lipper universe of funds. Those fund scores were then totaled, creating an overall score and ranking for each fund family in the survey in each Barron's ranking category. To qualify for the ranking, firms must offer at least three active mutual funds or actively run ETFs in Lipper's general U.S. Stock category; one in World Equity; and one Mixed Asset. They also need to offer at least two taxable bond funds and one national tax-exempt bond fund. All funds must have a track record of at least one year.

**Consider a fund's investment objectives, risks, charges, and expenses carefully before investing. The prospectus and summary prospectus contain this and other information about the fund. Contact your financial professional for a prospectus and summary prospectus. Read them carefully before investing.**

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