PruFund Cautious (Euro) Fund
PruFund Protected Cautious (Euro) Fund

This document is for use by individuals who are familiar with investment terminology. If there is product information included that you would like to discuss, then please contact your financial adviser.

Fund aim

Objective: The fund aims for steady and consistent growth over the medium to long term (5 to 10 years or more) through a cautious approach to investing.

Fund Investments: The fund invests in European and international equities, property, fixed interest securities, index-linked securities, cash and other specialist investments. The fund will aim to invest 50-75% in fixed interest securities, index-linked securities and cash, although we may occasionally move outside this range to meet the fund objectives.

M&G Treasury & Investment Office (T&IO)

- T&IO are our in-house investment strategists and "manager of managers"
- They are a team of over 60 that includes experienced investment professionals with specialist expertise in capital markets research, investment strategy design, liability management, and portfolio management
- T&IO are a well-established team who are entrusted with the day to day asset allocation decisions for £175 billion of policyholders’ money as at end June 2019.

Fund manager commentary

30 September 2019

Stockmarket performance was mixed in the third quarter of 2019. Fears about the global economy led to a setback for stockmarkets in August, whilst government bonds in many countries rallied strongly. Global manufacturing is suffering as the US-China trade war weighs on factories around the world. The UK stockmarket finished the period almost flat. Parliamentary wrangling over Brexit persisted, shares performed well when the likelihood of the UK leaving the European Union without a deal seemed to recede. European markets made modest gains. US stockmarkets started the quarter positively, major indices hit record highs in July. Markets then fell in August when the trade conflict re-erupted, before recovering in September. In Japan, investor sentiment was swayed by the deteriorating geopolitical climate and the potential impact of a trade war between the US and China. Within Pacific Basin ex Japan share prices tumbled in August when US President Donald Trump introduced new tariffs on Chinese goods. UK commercial property recorded a small positive total return in July and August, there is sharp contrast between Offices and Industrial (where capital values have risen) and Retail (where capital values have declined substantially this year). UK government bonds (gilts) & corporate bonds delivered solid returns in the third quarter of 2019. Slower economic growth and central bank stimulus activity were key themes in global bond markets. The M&G Treasury & Investment Office (T&IO) outlook remains broadly constructive however global economic growth is likely to be lower in 2019.

This commentary reflects the general views of individual fund managers and should not be taken as a recommendation or advice as to how any specific market is likely to perform.

Asset allocation

- UK Equities 3.60%
- North American Equities 3.30%
- European Equities 8.00%
- Japanese Equities 1.80%
- Pacific Market Equities 4.00%
- Global Emerging Markets Equities 1.50%
- Property 8.20%
- UK Fixed Interest 1.50%
- Euro Fixed Interest 23.70%
- US Fixed Interest 24.70%
- Asia Fixed Interest 9.10%
- Other Fixed Interest 2.40%
- Other Investment Assets 6.20%
- Cash 2.00%

Source: Prudential as at 30 September 2019. Asset allocations are regularly reviewed and may vary from time to time, but will always be consistent with the fund objective.
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Past performance

Performance of the PruFund Cautious (Euro) Fund in each year of the last 5 years

<table>
<thead>
<tr>
<th>Period</th>
<th>Percentage Growth</th>
</tr>
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<tbody>
<tr>
<td>31/10/18 to 31/10/19</td>
<td>4.03%</td>
</tr>
<tr>
<td>31/10/17 to 31/10/18</td>
<td>4.11%</td>
</tr>
<tr>
<td>31/10/16 to 31/10/17</td>
<td>4.15%</td>
</tr>
<tr>
<td>31/10/15 to 31/10/16</td>
<td>0.16%</td>
</tr>
<tr>
<td>31/10/14 to 31/10/15</td>
<td>8.17%</td>
</tr>
</tbody>
</table>

Percentage growth since launch on 25 November 2009

Source: Financial Express (FE) Analytics. Please remember that past performance is not a reliable indicator of future performance. The figures are intended only to demonstrate performance history of the fund over the period shown. They include a representative fund charge of 0.65% pa and any additional investment expenses. They take no account of product or advice charges.

The application of charges will impact the overall performance. Please also note that our charges may vary in the future and may be higher than they are now. Fund Performance is based upon the movement of the daily price and is shown as total return in the fund’s currency of denomination with gross income reinvested. The value of your investment can go down as well as up and you may not get back the amount you put in. Performance is shown on a bid to bid price basis.

These funds are available through our Prudential International Investment Bond and International Prudence Bond. Investments in the PruFund Range of Funds are backed by assets in the Long-Term Fund of The Prudential Assurance Company Ltd, through a reinsurance agreement.

These funds aim to protect investors against some of the ups and downs of investment performance using “smoothing” mechanisms. Please refer to “Your guide to investing in the PruFund Range of Funds” for more information.

Where the PruFund Protected Cautious (Euro) Fund is available, it includes a guarantee. This means that on the Guarantee Date your fund will have a value equal to at least the value of the fund holding at the start of the guarantee period, after a proportional reduction for any regular or one-off withdrawals. Where the fund’s available, there’s a charge for the guarantee; please see “The PruFund Range of Funds: Guarantee options” for more information.

For any fund, there may be a delay in buying, selling or switching of units. These delays will only apply in exceptional circumstances and if this applies to you, we will let you know. For more information, please refer to your Contract Conditions, which you can get from your Financial Adviser.

www.prudential-international.com

The registered office of Prudential International is in Ireland at Montague House, Adelaide Road, Dublin 2. Prudential International is a marketing name of Prudential International Assurance plc. Registration No. 209956. Telephone number + 353 1 476 5000. If the Company should become unable to meet its liabilities, the Financial Services Compensation Scheme will protect eligible policyholders habitually resident in the UK when their contract starts, with effect from 1 December 2001. This protection does not extend to externally-linked investments. Prudential International Assurance plc is authorised by the Central Bank of Ireland and is subject to limited regulation by the Financial Conduct Authority for UK business. Details on the extent of our regulation by the Financial Conduct Authority are available from us on request.