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.

Prudential International Investment Bond and International Prudence Bond are issued by Prudential International Assurance plc based in Dublin. They offer investment in a range of unit-linked funds, including funds which are reinsured into the Long-Term Fund of The Prudential Assurance Company Ltd (PAC). PAC is rated A+* by Standard & Poor’s.

Access to this fund is no longer available to new customers investing in Prudential International Investment Bond (PIIB) or International Prudence Bond (IPB) on or after 11/09/2017. If you are an existing customer pre 11/09/2017, you will still be able to top up or switch into this fund.

* Source: S&P as at September 2018

Fund objective
The Fund aims to maximise growth over the medium to long term while helping to smooth the peaks and troughs of investment performance.

Fund investments
The Fund currently invests in UK and international equities, property, fixed interest securities, index-linked securities and other specialist investments.

Asset allocation

- UK Equities: 17.30%
- North American Equities: 6.90%
- European Equities: 6.90%
- Japanese Equities: 3.60%
- Pacific Market Equities: 8.20%
- Global Emerging Markets Equities: 3.10%
- Property: 14.40%
- UK Fixed Interest: 9.70%
- Euro Fixed Interest: 3.40%
- US Fixed Interest: 10.10%
- Asia Fixed Interest: 3.40%
- Other Fixed Interest: 1.50%
- Other Investment Assets: 9.10%
- Cash: 2.40%

This is the asset allocation for the fund 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.

Top ten holdings*

1. TAIWAN SEMICONDUCTOR MANUFACTURING 0.6%
2. BP PLC 0.5%
3. SAMSUNG ELECTRONICS LTD 0.5%
4. ASTRazeneca PLC 0.5%
5. ISHARES JP MORGAN EM LOC GOV BD UC 0.5%
6. GLAXOSMITHKLINE PLC 0.4%
7. HSBC HOLDINGS PLC 0.4%
8. ROYAL DUTCH SHELL PLC CLASS B 0.4%
9. ROCHE HOLDING PAR AG 0.4%
10. BRITISH AMERICAN TOBACCO PLC 0.3%

Source: M&G as at 30 September 2019.
* Largest assets excluding derivatives exposure positions.

Fund performance

Performance of the PAC Sterling With-Profits Fund*

<table>
<thead>
<tr>
<th></th>
<th>30/09/14 to 30/09/15</th>
<th>30/09/15 to 30/09/16</th>
<th>30/09/16 to 30/09/17</th>
<th>30/09/17 to 30/09/18</th>
<th>30/09/18 to 30/09/19</th>
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<tbody>
<tr>
<td>30/09/14 to 30/09/15</td>
<td>2.4%</td>
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<tr>
<td>30/09/15 to 30/09/16</td>
<td></td>
<td>14.7%</td>
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<tr>
<td>30/09/16 to 30/09/17</td>
<td></td>
<td>9.7%</td>
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<tr>
<td>30/09/17 to 30/09/18</td>
<td></td>
<td></td>
<td>5.5%</td>
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<td></td>
</tr>
<tr>
<td>30/09/18 to 30/09/19</td>
<td></td>
<td></td>
<td></td>
<td>4.8%</td>
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</tbody>
</table>

We can’t predict the future. Past performance isn’t a guide to future performance.

The value of your investment can go down as well as up so you might get back less than you put in. For investments in the PAC With-Profits Range of Funds, the value of the policy depends on the profits made by the long term fund of The Prudential Assurance Company Limited and how these profits are distributed.

Because of changes in exchange rates the value of your investment, as well as the money you take from it, can go down as well as up.

* Source: Prudential – total return, gross of charges basis with gross income being reinvested. Please note fund performance before 25 July 2005 is based on returns from the PIA Sterling With-Profits Sub-Fund. Fund performance from 25 July 2005 onwards is based on the PAC Sterling With-Profits Fund. The pool of assets underlying each of these sub-funds, and the charges applied, are the same.
Fund commentary as at end Quarter 3 2019

The global economy is slowing and our leading economic indicators are pointing to further weakness. Significant easing by central banks should extend the cycle but risks that the protracted economic slowdown is deepening are increasing. Should a recession occur, the nature of imbalances in developed economies suggests a mild recession is more likely than a severe one.

Short-term outlook: Economic growth is slowing and the weakness in manufacturing continued in September. Hopes of a stabilisation in the economic data were dashed for now and our leading economic indicators are, in general, pointing lower still. The risk that the weakness in manufacturing is spilling into consumer behaviour, via weakening confidence and employment trends, is increasing but labour markets currently still appear resilient. Global central banks are decisively easing monetary policy to provide insurance against the downside risks to the growth outlook. Therefore, a global recession is not the most likely outcome in the near term.

Business cycle view: Labour market data looks late cycle but other aspects of the economy, including credit cycle indicators, look less imbalanced. Trade wars and previously tight monetary policy have increased recession risk but central bank easing should act as an offset. Fewer credit imbalances and less overextended households should limit the severity of a recession were one to occur. Household leverage is relatively low across many countries and increased regulation has reduced the vulnerability of banks, notably in the US. US corporate debt remains one area of concern though. In the euro area, individual countries could face a technical recession. Banks in the euro area look more vulnerable than their international peers which could amplify any downturn.

Inflation: Levels of inflation in major developed market economies vary but overall inflation remains low. In the US, core inflation has trended up in recent months but is not at risk of overshooting. Inflation is weakening in the UK and stable at very low levels in the euro area.

Monetary Policy: Global central banks are easing monetary policy, with the net number of central banks cutting the highest since 2010. The Federal Reserve cut further in September and the ECB launched a comprehensive easing package. The BoE remained on hold but its tone is shifting towards more dovish.

Please note

You may only invest in one PAC With-Profits Range of Funds. Investments in PAC With-Profits Range of Funds are backed by assets in the With-Profits Fund of The Prudential Assurance Company Ltd through a reinsurance agreement.

The returns shown are the returns on the underlying assets. The actual returns on any policy are smoothed and will depend on the bonuses declared over the period of investment.

If money invested in the PAC With-Profits Range of Funds is taken out at any time, except on death, maturity or to meet certain regular withdrawals, PAC may reduce the amount to reflect the current market value of the underlying assets. This is known as a Market Value Reduction. In addition an Early Cash-In Charge may apply in the first five years of any investment into the bond.

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.

Fund manager | M&G Treasury & Investment Office (T&IO)
Fund size | £87.2bn as at 30 September 2019

Full terms and conditions are available on request from Prudential International by calling +44 (0) 808 234 2200. Calls may be monitored or recorded for quality, training, dispute resolution and/or security purposes.