

PruFund Cautious (Sterling) Fund PruFund Protected Cautious (Sterling) 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

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. The fund invests in UK 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.

Fund manager commentary 30 September 2020

The global economy continued to recover strongly during the third quarter of 2020 after many developed countries suffered their biggest falls in quarterly GDP on record in the second quarter as the COVID-19 pandemic took hold. In the UK for example, GDP fell by -19.8%, reflecting the severity of the lockdown measures taken to reduce transmission of the virus.

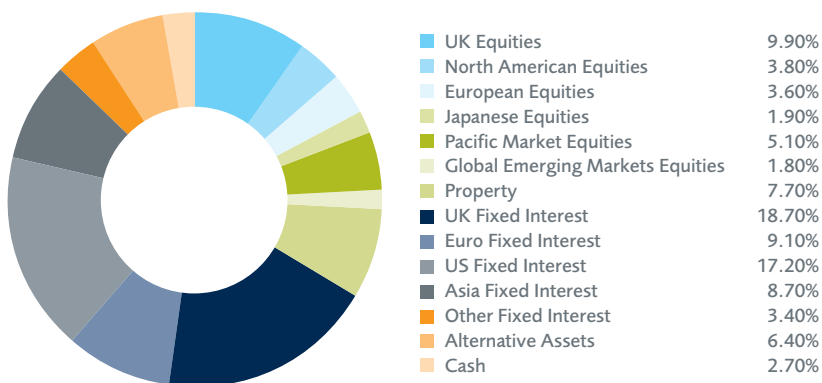
The UK lagged the major regional equity markets in the third quarter as confidence at home was undermined by concerns about Brexit, the withdrawal of £38 billion of dividends in the first half of the year and a resurgence of COVID-19 cases. US stockmarkets enjoyed another strongly positive quarter as investor sentiment recovered from March, although weakness in September pared back some of the gains. Overall, stockmarkets in China, Japan & Asia Pacific ex Japan continued to recover in the third quarter. European equities ended the quarter flat.

Including rental income, UK commercial property recorded a small positive return over the third quarter of the year. Industrials was the only sector to report capital growth in July and August. On the other hand, Retail capital values continued to fall significantly. UK government bonds (gilts) delivered slightly negative returns over the period. Yields on 10-year US Treasuries fell to a historic low of 0.5% in early August, before edging up to 0.7% at the end of September. The 10-year German bund yields remained in negative territory.

The M&G Treasury & Investment Office (T&IO) outlook remains cautious as global economic growth will be lower in 2020.

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



Source: Prudential as at 30 September 2020. Asset allocations are regularly reviewed and may vary from time to time, but will always be consistent with the fund objective.

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

- T&IO are our in-house investment strategists and "manager of managers"
- They are a well-resourced team 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 £170 billion of policyholders' money as at end June 2020.

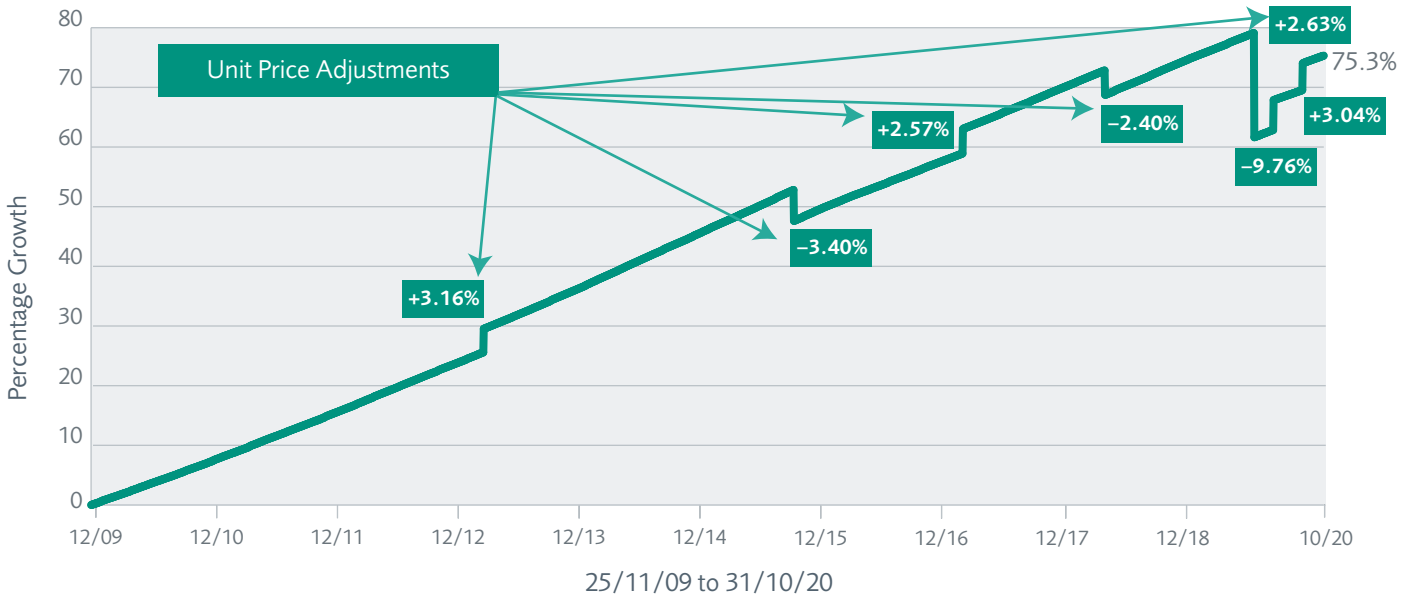
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Past performance

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

31/10/19 to 31/10/20	31/10/18 to 31/10/19	31/10/17 to 31/10/18	31/10/16 to 31/10/17	31/10/15 to 31/10/16
-0.48%	2.23%	4.81%	7.53%	1.94%

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 (Sterling) 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, a life assurance company operating from Ireland. Registration No. 209956. Prudential International Assurance plc is authorised by the Central Bank of Ireland. Prudential International is part of the same corporate group as The Prudential Assurance Company Limited. Both The Prudential Assurance Company Limited and Prudential International are direct and indirect subsidiaries respectively of M&G plc, a company incorporated in the United Kingdom. The Prudential Assurance Company Limited is not affiliated in any manner with Prudential Financial, Inc, a company whose principal place of business is in the United States of America or Prudential plc, an international group incorporated in the United Kingdom.