

PAC US Dollar With-Profits 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.

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 April 2020

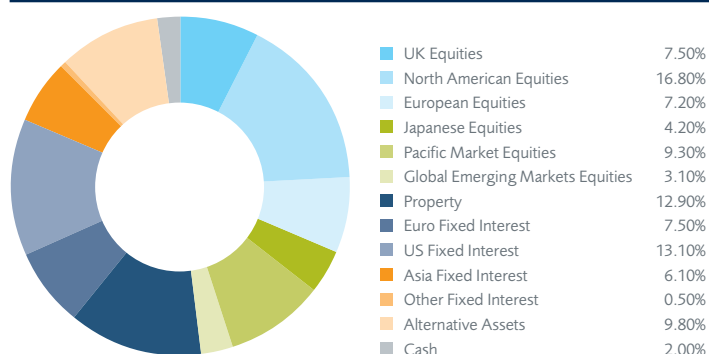
Fund objective

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 US and international equities, property, fixed interest securities, index-linked securities and other specialist investments.

Asset allocation



This is the asset allocation for the fund 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.

Top ten holdings

1	HARBOURVEST GLOBAL PRIVATE EQUITY	1.71%
2	APPLE INC	0.82%
3	MICROSOFT CORP	0.71%
4	HGCAPITAL TRUST PLC	0.70%
5	AMAZON COM INC	0.69%
6	BBG1 SICAV SA	0.65%
7	NEXTENERGY SOLAR LTD	0.38%
8	FACEBOOK CLASS A INC	0.30%
9	BIOPHARMA CREDIT PLC	0.28%
10	ALPHABET INC CLASS C	0.23%

Source: M&G as at 30 September 2020.

Fund performance

Performance of the PAC US Dollar With-Profits Fund*

30/09/15 - 30/09/16	30/09/16 - 30/09/17	30/09/17 - 30/09/18	30/09/18 - 30/09/19	30/09/19 - 30/09/20
8.58%	13.25%	4.23%	3.80%	2.53%

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 USD With-Profits Sub-Fund. Fund performance from 25 July 2005 onwards is based on the PAC USD With-Profits Fund. The pool of assets underlying each of these sub-funds, and the charges applied, are the same.

The commentary in this report reflects the general views of the fund manager and should not be taken as a recommendation or advice as to how any market is likely to perform.

Fund commentary as at end Quarter 3 2020

Short-term outlook: After a severe contraction in the first half of the year, Q3 has seen a recovery. Substantial pent-up household demand after the lockdown and large fiscal transfers, particularly in developed market economies, boosted aggregate demand. However, activity remains below pre-pandemic levels and economic momentum is continuing to slow as new cases are rising again. The recovery in activity remains uneven geographically and across different sectors of the economy. The path forward remains contingent on a) the future trajectory of the virus, b) the measures to counter a further spread and c) the level of fiscal support. It is unlikely that further fiscal support matches the first wave in size and scope. As long as COVID remains a challenge, we cannot assume the recovery continues unabated. Deterioration in the labour market remains a key risk for demand for all sectors.

Inflation: Volatility in inflation numbers has continued but the trend across countries is downwards. Core inflation has turned negative again in Japan and reached a new low point in the euro area. In the medium term, the impact of the activity shutdown continues to be disinflationary. Longer term, consumer price inflation depends on its secular drivers, including globalisation, demographics, technology and independence of central banks. It is too early to say how the pandemic will influence these secular drivers.

Monetary Policy: Central banks continue their cautious wait and see approach while suggesting room for more fiscal support. That makes sense. The current activity shortfall is more effectively addressed through fiscal measures than through monetary policy. Recent months have seen some additional monetary support from laggards but we expect less central bank driven easing of financial conditions ahead.

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	\$251.80m as at 30 September 2020

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.



www.prudential-international.com

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