

Prudence Inheritance Bond Funds

Top five holdings of the Prudence Inheritance Capital Fund

Equity

| | |
|------------------------------|--------------|
| BRITISH AMERICAN TOBACCO PLC | 2.3% |
| BP PLC | 2.3% |
| RIO TINTO PLC | 2.3% |
| GLAXOSMITHKLINE PLC | 2.2% |
| ASTRAZENECA PLC | 2.0% |
| Total | 11.1% |

Source: Prudential as at 31 August 2021

Fixed Interest

| | |
|-------------------------------|-------------|
| KFW MTN | 0.7% |
| BAT INTERNATIONAL FINANCE PLC | 0.7% |
| UK CONV GILT | 0.7% |
| IMPERIAL BRANDS FINANCE PLC | 0.6% |
| UK CONV GILT | 0.6% |
| Total | 3.3% |

Source: Prudential as at 31 August 2021

Investment strategy

The investment strategy of the fund is to provide income with the potential for capital growth by investing in UK Equities and Corporate Bonds.

Fund size: £175 million (as at 31 August 2021)

Launch date: 2 January 1997

Fund manager commentary – as at August 2021

July's Federal Open Market Committee minutes were released and indicated that tapering, a reduction in the Fed's asset purchase programme, may begin this year. The minutes also highlighted divisions among the committee.

The summer months have seen US equity indices to record fresh all-time highs. US 10-year Treasury yields have ebbed and flowed but remained at around 1.25%. The US dollar strengthened as markets recognised the potential monetary policy divergence between the US and the rest of the developed world.

Preliminary UK Q2 GDP growth increased 4.8%, driven by a 7.3% expansion in spending at restaurants, hotels, and on transportation. A drop in government spending caused total investment to fall 0.5% over Q2, UK plc acted on the green shoots of recovery and raised business investment by 2.4%.

The UK's recovery has been a laggard, driven by factors such as Brexit's impact on the domestic supply chain and the closing and reopening of the economy. However, should the virus remain at bay, the ONS's forecast

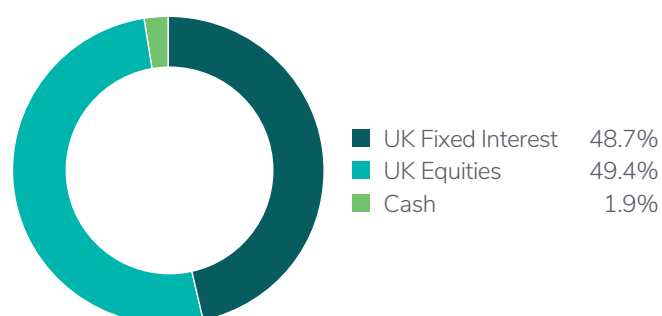
suggests the economy should return to pre-pandemic levels of output.

UK CPI for July came in at 2.0% (exp. 2.3%), anticipated to be a temporary lull as 2020 base effects wash through.

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.

Contact Your Prudential Account Manager or log on to pruadviser.co.uk

Asset allocation of the Prudence Inheritance Capital Fund



Please note figures may not add up to 100% due to rounding.

How the funds work

Prudence Inheritance Income Fund

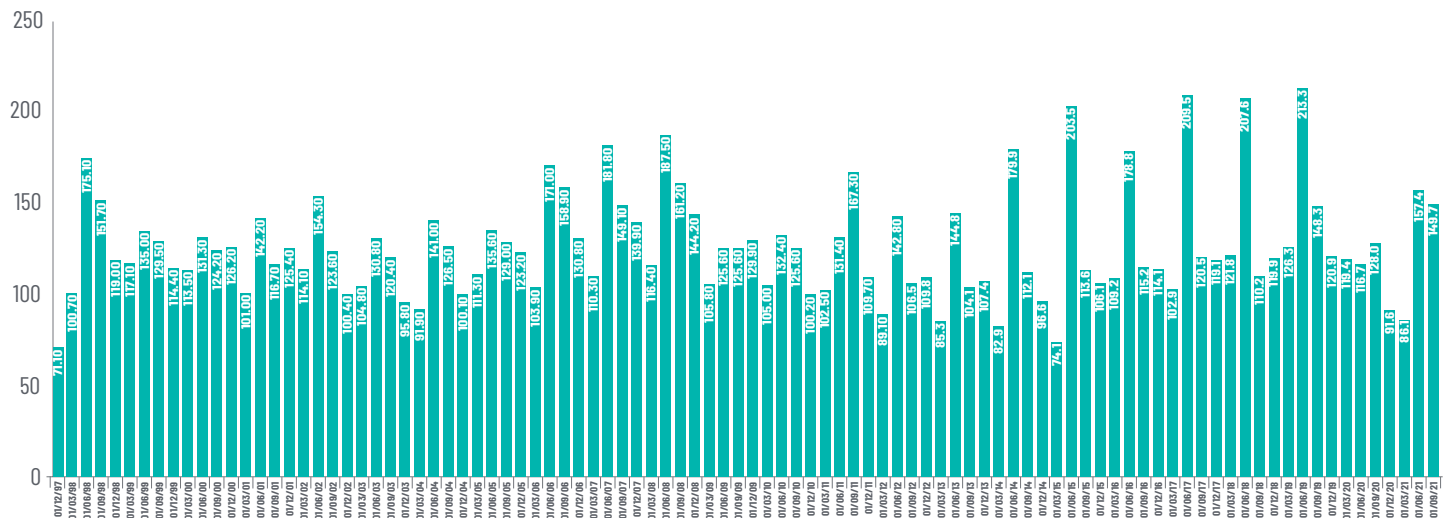
- As the underlying holdings within the Prudence Inheritance Capital Fund pay their dividend and interest payments, these are accumulated within the Prudence Inheritance Income Fund, with the total being fully paid out at the end of each quarter.
- Different levels of income are received in different quarters, depending on the pattern of dividends and interest payments received from the underlying stocks and bonds within the fund.
- The quarterly distribution can be taken as cash, or alternatively redirected into our range of investment funds.

The Prudence Inheritance Capital Fund Values on the next page demonstrates the performance of the capital value after these distributions have been paid.

Prudence Inheritance Income Fund values

Bid price of the Prudence Inheritance Income Fund at the end of each Quarter (the value of the Prudence Inheritance Income Fund is paid out in full – payments subsequently received begin to build the value again).

Bid Price

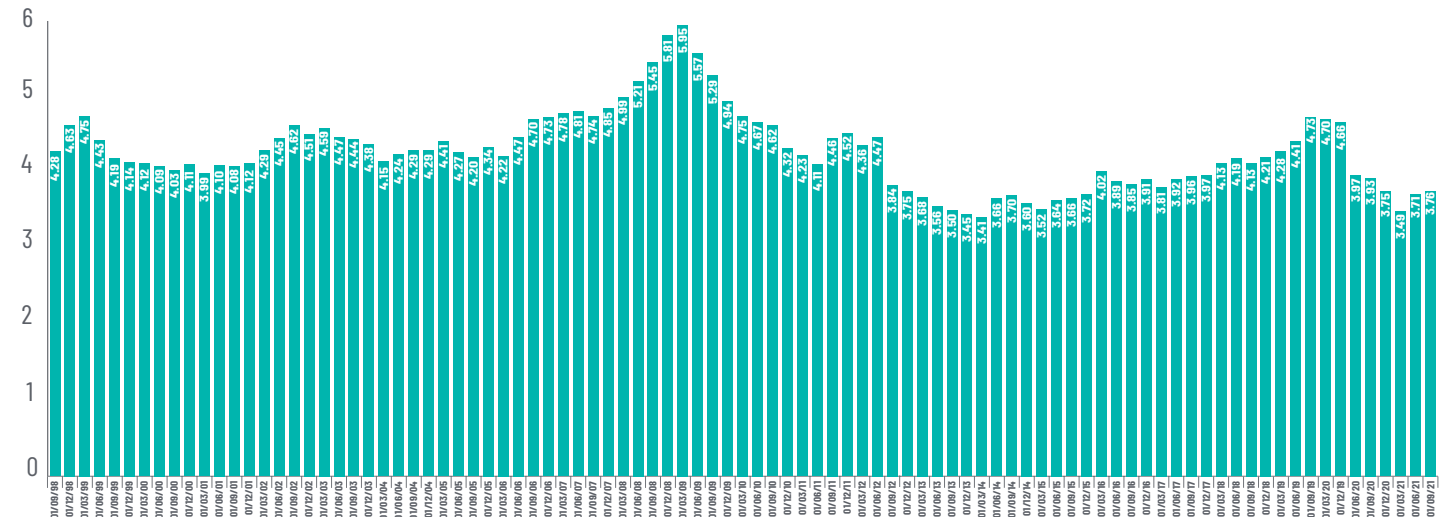


Source: Prudential

Income Distributions – expressed as an Annualised Yield

The annualised yield figures have been calculated by looking at the value of the Prudence Inheritance Income Fund, at the end of the four previous quarterly payment dates, as a percentage of the Prudence Inheritance Capital Fund value.

Annualised Yield



Average Annualised Yield Since Launch: 4.28% (this is the average of the figures shown above)

Source: Prudential

We can't predict the future. Past performance isn't a guide to future performance. The value of any investment and the level of distributions can go down as well as up so your customer might get back less than they put in.

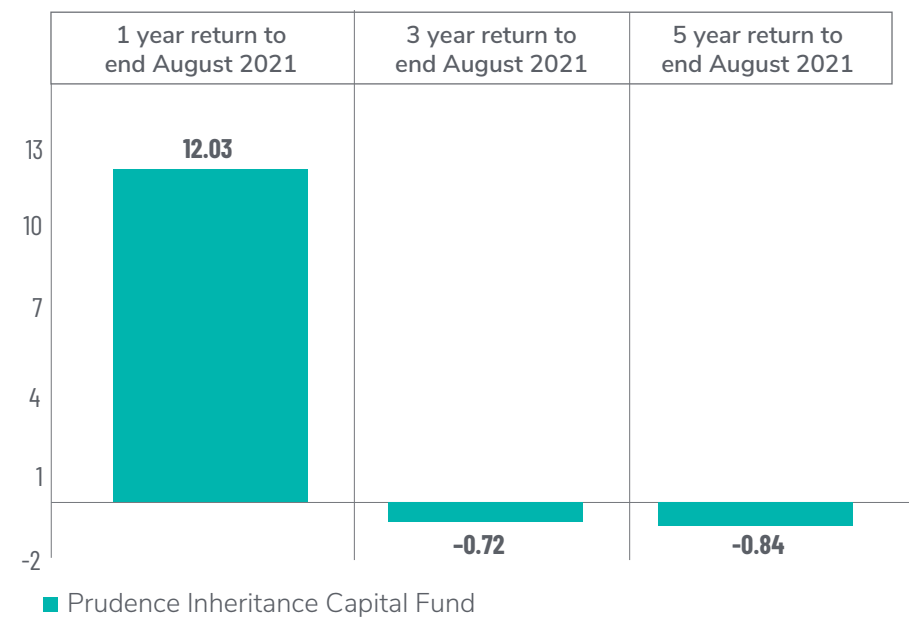
How the funds work

Prudence Inheritance Capital Fund

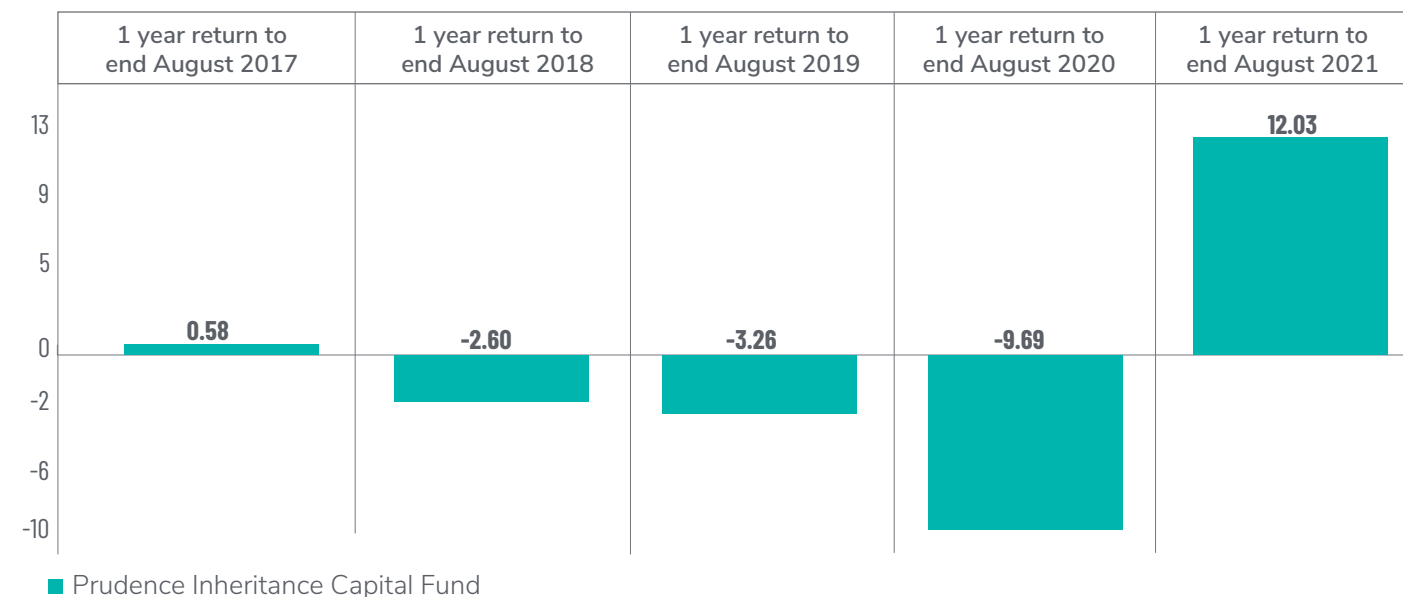
- The equities, cash and fixed interest holdings are held in the Prudence Inheritance Capital Fund.
- These holdings can either rise or fall in value.
- Any income (dividend payments, interest etc) achieved by the holdings in the Prudence Inheritance Capital Fund are paid into the Income Fund.

Prudence Inheritance Capital Fund values

Fund performance



Year by year performance



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

The rate of growth of funds cannot be guaranteed. These performance figures are produced from Financial Express Analytics on a bid to bid, net basis, capital return only, they are net of Annual Management Charge and any applicable UT/OEIC expense.

Actual values

The following figures assume a £100,000 investment on 2 January 1997 and demonstrate Total Income payments and the ongoing Capital value.

Annual values from the first distribution after launch

| Date | Capital Value £ | Total Income Payments £ |
|----------|-----------------|-------------------------|
| 01/03/97 | 102,663.61 | 578.46 |
| 01/03/98 | 116,291.82 | 5,569.97 |
| 01/03/99 | 115,621.14 | 11,058.85 |
| 01/03/00 | 112,940.91 | 15,812.87 |
| 01/03/01 | 113,426.06 | 20,434.62 |
| 01/03/02 | 107,483.40 | 25,165.49 |
| 01/03/03 | 91,874.94 | 29,731.72 |
| 01/03/04 | 100,940.93 | 33,881.05 |
| 01/03/05 | 106,548.76 | 38,477.54 |
| 01/03/06 | 112,997.77 | 43,126.02 |
| 01/03/07 | 113,278.16 | 48,524.21 |
| 01/03/08 | 103,651.38 | 54,075.56 |
| 01/03/09 | 83,463.20 | 59,735.61 |
| 01/03/10 | 99,445.51 | 64,331.14 |
| 01/03/11 | 106,455.30 | 68,686.56 |
| 01/03/12 | 112,343.52 | 73,389.88 |
| 01/03/13 | 118,418.67 | 77,591.20 |
| 01/03/14 | 122,437.61 | 81,743.36 |
| 01/03/15 | 126,643.49 | 86,117.68 |
| 01/03/16 | 120,381.41 | 91,150.94 |
| 01/03/17 | 128,793.15 | 95,981.89 |
| 01/03/18 | 125,054.60 | 101,379.13 |
| 01/03/19 | 120,287.95 | 106,711.13 |
| 01/03/20 | 118,044.81 | 112,401.44 |
| 01/03/21 | 117,484.03 | 116,394.77 |

The four most recent quarterly values

| | | |
|----------|------------|------------|
| 01/12/20 | 116,269.00 | 115,580.79 |
| 01/03/21 | 117,484.03 | 116,394.77 |
| 01/06/21 | 122,250.69 | 117,882.82 |
| 01/09/21 | 123,559.18 | 119,298.07 |

In this example the amount allocated to investment (through capital units) is 100.5% of the total premium. Details of charges can be found in the key features document.

Full terms and conditions are available on request from Prudential.

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