

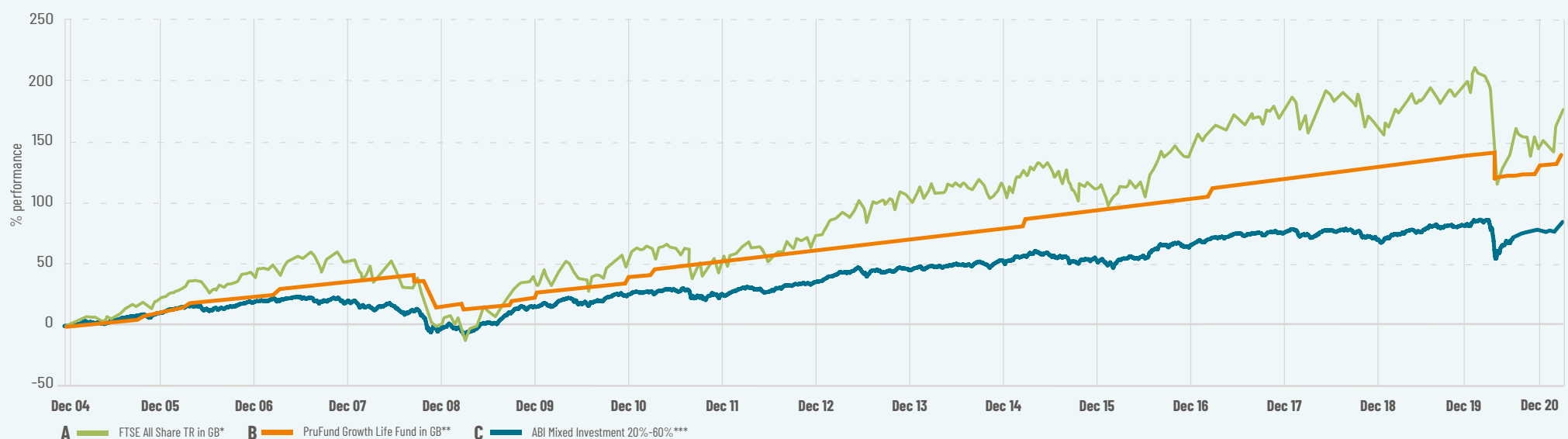
PruFund Growth Fund – Delivering a smoothed investment journey for your clients



The PruFund range of funds aim to grow your clients' money over the medium to long term (5 to 10 years or more), while protecting them from some of the extreme short-term ups and downs of direct stockmarket investments by using an established smoothing process. This means that while your clients won't benefit from the full upside of any potential stockmarket rises, they won't suffer from the full effects of any downturns either. Nowhere is the smoothing process more evident than during periods of extreme market volatility, such as the market crash of 2008/2009, and of course, what we are seeing now, as a result of the Covid-19 outbreak.

The graph below demonstrates what the smoothing process means to your clients, in terms of investment in the PruFund Growth Life Fund net of fund charges, compared to the rest of the market, as represented by the FTSE All Share and ABI Mixed Investment 20-60% indices.

Hover over each year on the timeline below to view the key events of the past 15 years that have disrupted markets.



Please remember the value of an investment can go down as well as up and your clients may get back less than they've paid in. Past performance is not a reliable indicator of future performance.

The graph shows performance from 25 November 2004 to 4 December 2020. Source: Financial Express Analytics 7 December. *FTSE All Share performance is shown bid to bid, net income reinvested. **The PruFund Growth figures are intended only to demonstrate performance history of the life fund over the period shown. They include a representative fund charge of 0.65% pa and any further costs. They take no account of product or advice charges. The application of charges may impact the overall performance. Please 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 GBP with net income reinvested. ***ABI Mixed Investment 20-60% performance is shown bid to bid, net income reinvested but net of fund tax. Some, if not all, of the funds comprising the ABI sector averages are net of fund charges. FTSE is a trademark jointly owned by the London Stock Exchange Plc and the Financial Times Limited and is used by FTSE International Limited "FTSE" under licence. FTSE does not sponsor, endorse, or promote this product and is not in any way connected to it and it does not accept any liability in relation to its issue, operation and trading. All copy rights in the index values and constituent list vest in FTSE.

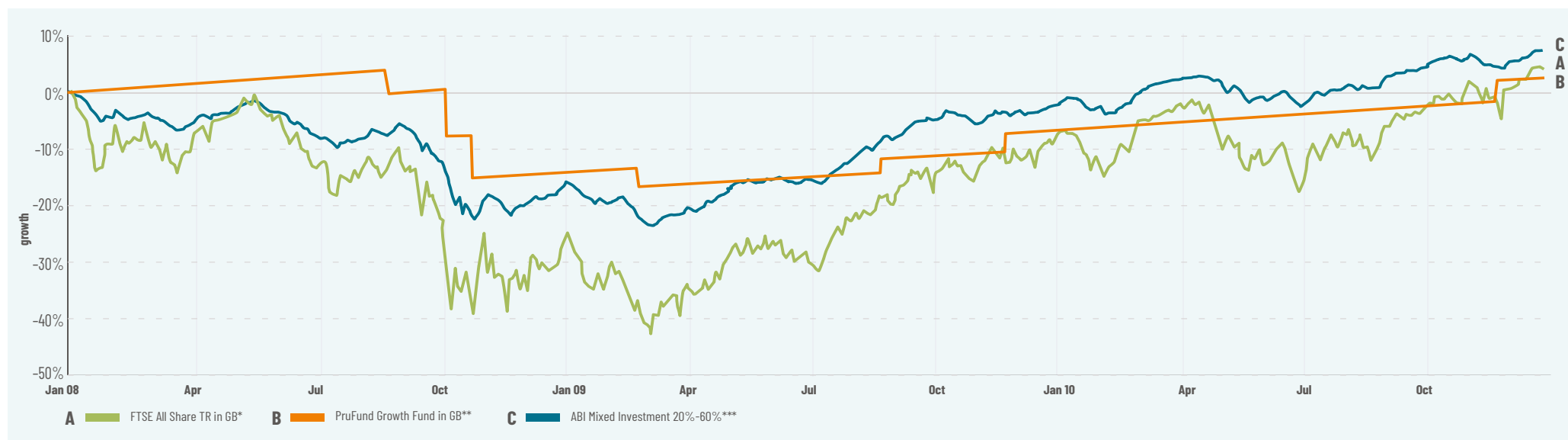
This is for UK advisers – it's not for use with clients.

Extreme market volatility – and our smoothing process in practice

Looking at the 2008/2009 crash in more depth we can see that our actively managed PruFund Growth Fund had 4 Unit Price Adjustments (UPA's) applied between August 2008 and March 2009, to balance out what was happening in the market, at that time. You can see from the graph below, that those clients invested directly in the stock market would have experienced a significantly higher level of volatility than those invested in the PruFund Growth Fund.

While the Expected Growth Rate (EGR) reflects our long term view, we need to check that the fund is performing as expected – if not we may need to make an adjustment to the fund value, either up or down. There are limits which set out when an adjustment would be required.

The value of the investment in a PruFund fund is based on the Smoothed Price, this is the unit price, which grows daily by the EGR. We compare the Smoothed Price against the Unsmoothed Price – which reflects the value of underlying assets. If these move too far away from one another we need to adjust the Smoothed Price to narrow the gap. This could be a price increase or a price decrease.



Please remember the value of an investment can go down as well as up and your clients may get back less than they've paid in. Past performance is not a reliable indicator of future performance. For more information on how the PruFund smoothing process works, refer to the step by step guide to smoothing, reference PRUF1098101 available on pruadviser.co.uk or speak to your Prudential Account Manager.

The graph shows performance from 1 January 2008 to 30 December 2010. Source: FE fundinfo, March 2020. *FTSE All Share performance is shown bid to bid, net income reinvested. **The PruFund Growth 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 further costs. They take no account of product or advice charges. The application of charges may impact the overall performance. Please 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 GBP with net income reinvested. ***ABI Mixed Investment 20-60% performance is shown bid to bid, net income reinvested but net of fund tax. Some, if not all, of the funds comprising the ABI sector averages are net of fund charges.

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