

Prudence Inheritance Bond Funds

Top five holdings of the Prudence Inheritance Capital Fund

Equity

RIO TINTO PLC	3.1%
BP PLC	2.7%
BRITISH AMERICAN TOBACCO PLC	2.3%
ENTAIN PLC	2.0%
ASTRAZENECA PLC	1.9%
Total	12.0%

Source: Prudential as at 26 February 2021

Fixed Interest

UK CONV GILT	1.1%
LLOYDS TSB BANK PLC	0.7%
KFW MTN	0.6%
UK CONV GILT	0.6%
IMPERIAL BRANDS FINANCE PLC	0.6%
Total	3.6%

Source: Prudential as at 26 February 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:	£170 million (as at 26 February 2021)
Launch date:	2 January 1997

Fund manager commentary – as at February 2021

February was another challenging month for multi asset investors. Global equity markets rallied throughout the start of February, as optimism around vaccination efforts continued and news of the US \$1.9 billion stimulus package got closer to approval. However concerns of inflation and the rapid increase in US rates then caused equity markets to fall.

The UK hit 20 million vaccinations and Boris Johnson delivered a four-step plan towards normal life. Whilst largely signposted, we saw some

sector rotation in the UK with Leisure - including restaurants, airlines and non-essential retail – outperforming in the final week of February. Crude oil prices also rose due to the perception of a global return to normality leading to energy being the top performing sector of February.

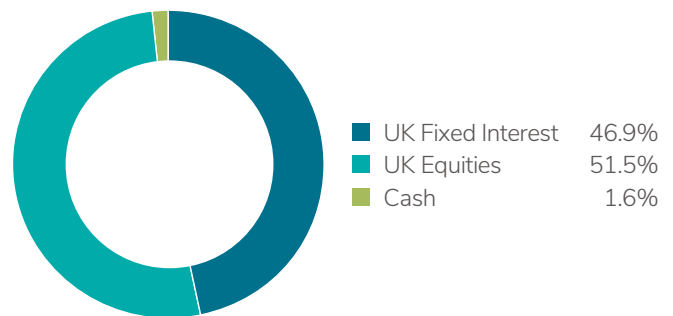
While we expect some short-term bouts of volatility due to a range of potential risks and changes in tone to the present narrative, we maintain a pro-risk view and continue to believe global diversification is key. Whilst

wary about volatility and level of government bond yields, although the overall levels of yields remains low, a broad pickup in investor concerns could cause fears to seep into other asset classes.

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

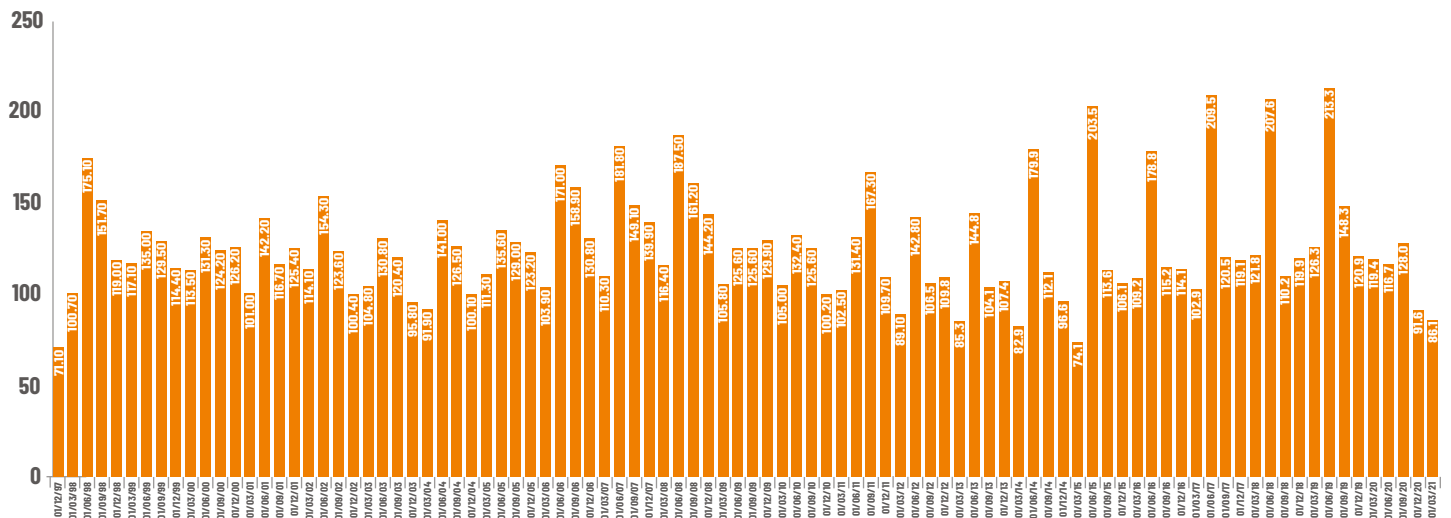
- As the underlying holdings within the Prudence Inheritance Capital Fund pay their dividend and interest payments, these are accumulated within the Prudence Inheritance Income Fund, with the total being fully paid out at the end of each quarter.
- Different levels of income are received in different 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

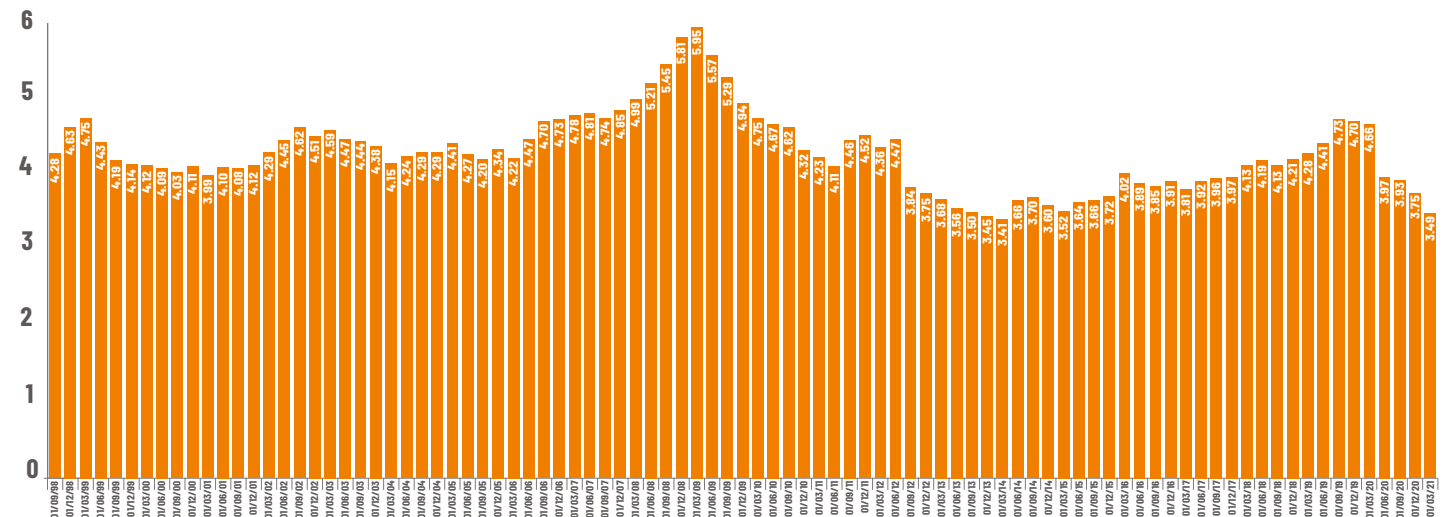


Source: Prudential

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: 4.29% (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.

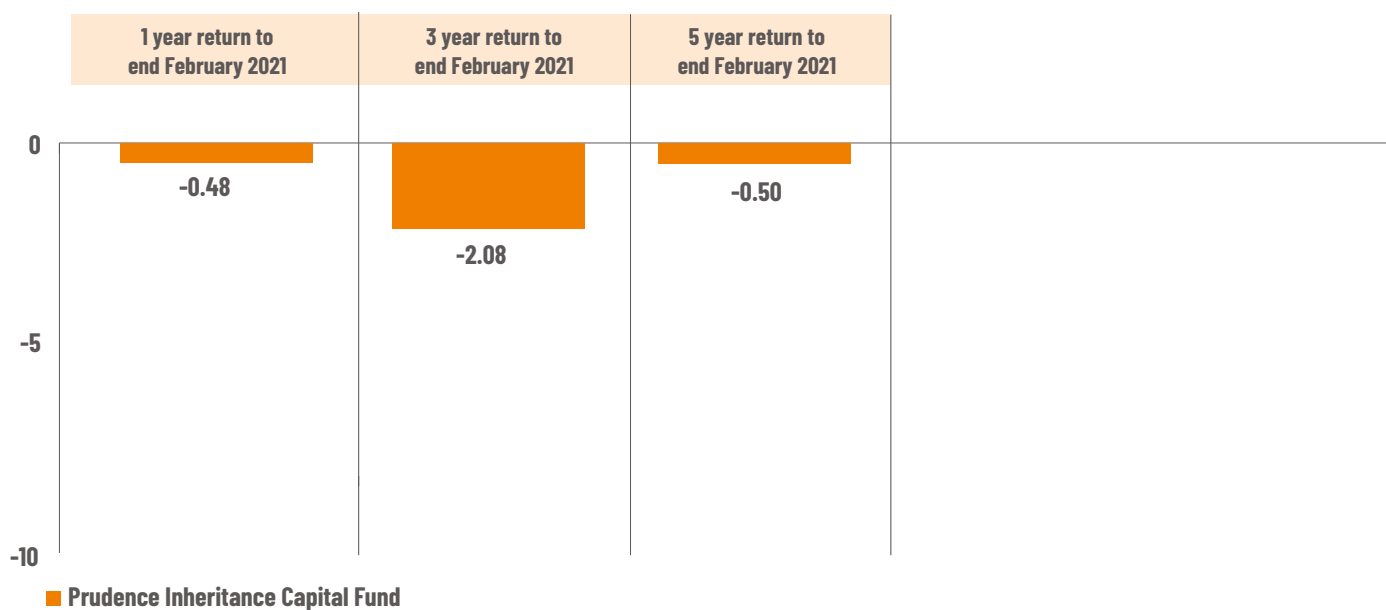
How the funds work

Prudence Inheritance Capital Fund

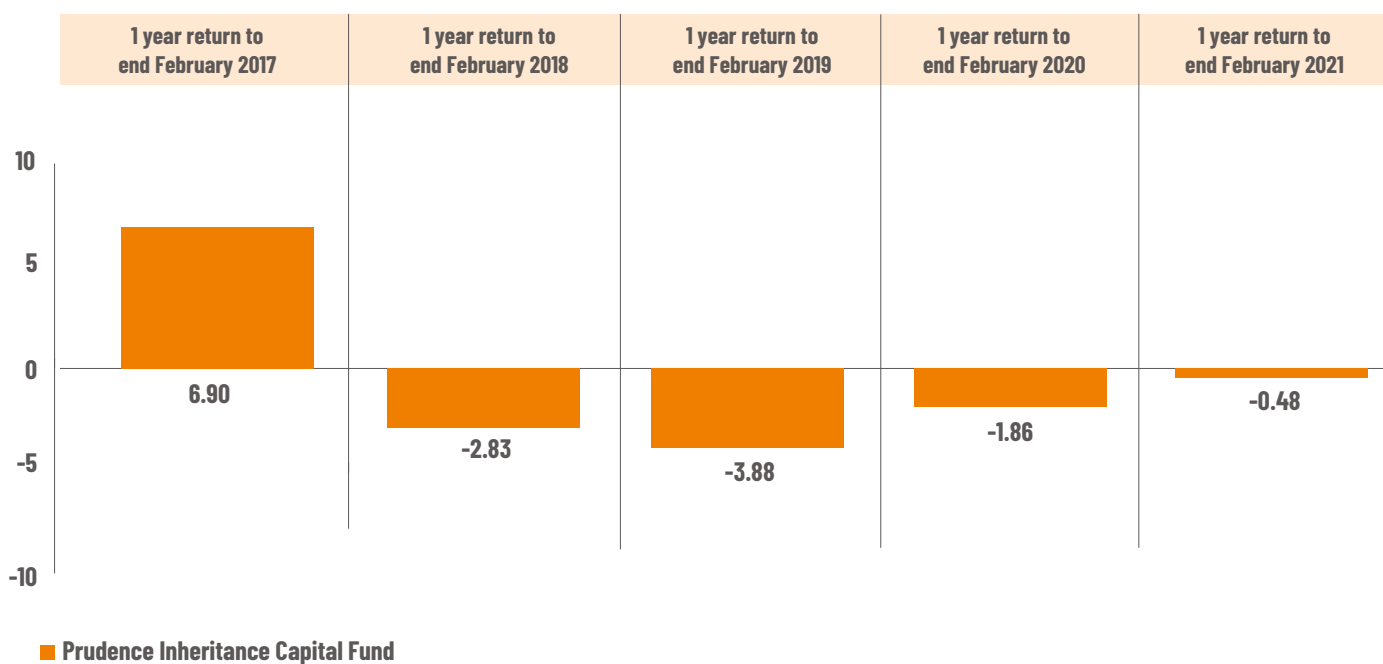
- The equities, cash and fixed interest holdings are held in the Prudence Inheritance Capital Fund.
- These holdings can either rise or fall in value.
- Any income (dividend payments, interest etc) achieved by the holdings in the Prudence Inheritance Capital Fund are paid into the Income Fund.

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

01/06/20	111,221.95	113,504.71
01/09/20	110,287.32	114,714.81
01/12/20	116,269.00	115,580.79
01/03/21	117,484.03	116,394.77

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.