

# Prudence Inheritance Bond Funds

## Top five holdings of the Prudence Inheritance Capital Fund

### Equity

IMPERIAL BRANDS PLC	2.4%
ASTRAZENECA PLC	2.4%
LLOYDS BANKING GROUP PLC	1.8%
RIO TINTO PLC	1.6%
NATIONAL GRID PLC	1.5%
<b>Total</b>	<b>9.7%</b>

As at 28 February 2025

### Fixed Interest

KFW MTN	0.5%
EON INTERNATIONAL FINANCE BV MTN	0.3%
SANTANDER UK PLC	0.3%
GDF SUEZ MTN	0.3%
WESTERN POWER DISTRIBUTION WEST MI	0.2%
<b>Total</b>	<b>1.6%</b>

As at 28 February 2025

## 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: £129 million (as at 28 February 2025)

Launch date: 2 January 1997

## Fund manager commentary – as at February 2025

Government bond prices lowered as the ten-year treasury yield edged up to 4.24% from 4.18% over the month. The Federal Reserve signalled further progress on inflation is needed before any new interest rate cuts, with markets assigning a 96% probability that rates are held in March.

Most major equity markets saw gains, global stocks seeing positive momentum at the start of 2025, European equities being a standout performer as investors rotated out of US equities. Chinese stocks continued their positive momentum over optimism for domestic technology stocks. US markets fell – the Nasdaq returning – 0.85% and S&P 500 flat at – 0.04% over US growth concerns and trade tariffs. AI stocks also faced

setbacks over worries on the earnings of US mega cap tech companies. Japanese equities fell with concern on the impact of potential trade tariffs on Japan, a stronger Yen which lowers the appeal of exports, and the AI tech company sell off over rich valuations.

US labour market data was below expectations, payrolls increased by 151,000 in February vs. forecasts 160,000, the headline unemployment rate increasing from 4.0% to 4.1%, while US consumer confidence declined to August 2021 lows.

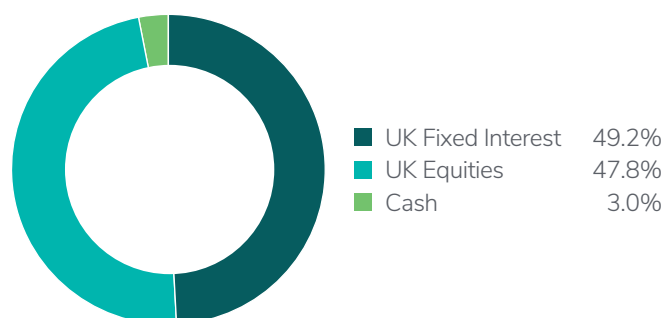
Middle East tensions remain. The Israeli military delaying withdrawals from Southern Lebanon remaining at five 'strategic locations. The conflicts impact remains limited with Brent Crude remaining in the mid \$70/barrel.

Central bankers have tough decisions to make following mixed data, fiscal/policy uncertainty, stubborn inflation. A robust US economy, with the potential for increased spending and tax cuts, should be good for risk assets, but there are concerns linked to tariffs and federal job cuts. Regional differentiation may continue to be important, with decoupled economic cycles and trade war repercussions.

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.

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## 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

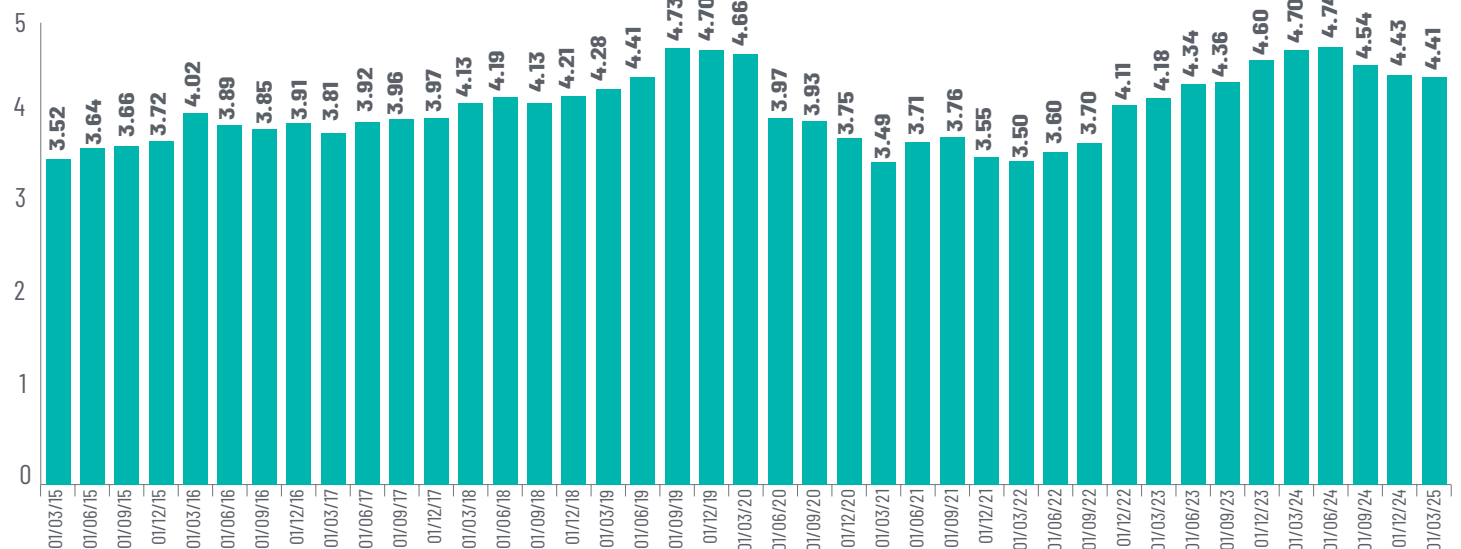


As at 01 March 2025

## 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: 4.27% (this is the average of the figures shown above)

As at 01 March 2025

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.

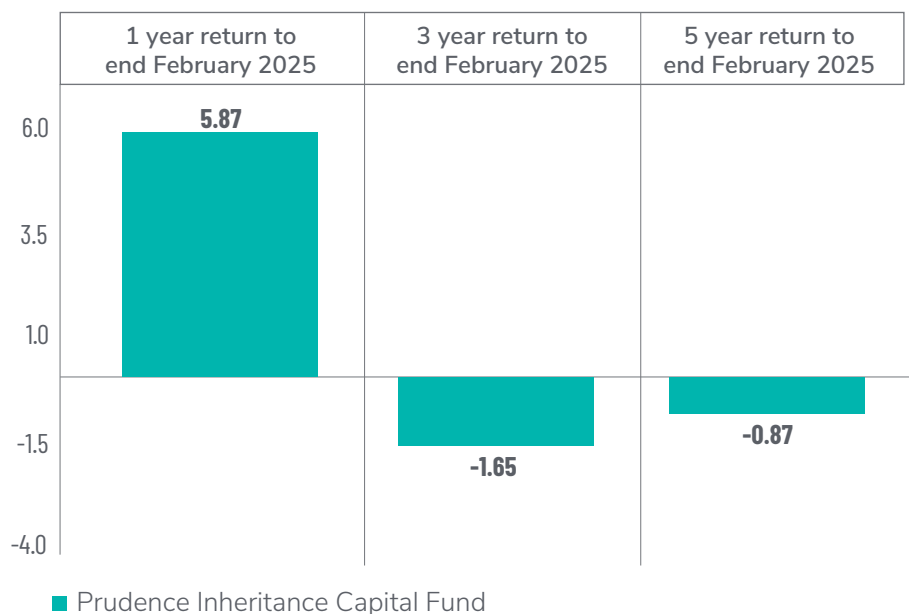
## How the funds work

### Prudence Inheritance Capital Fund

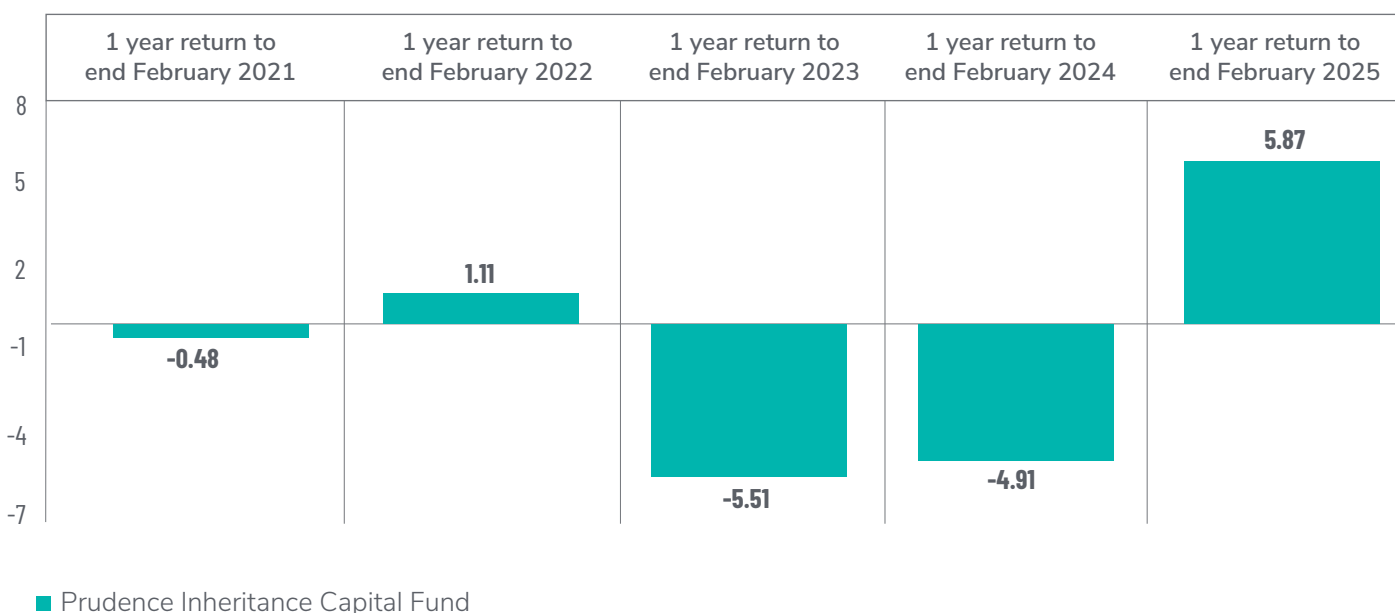
- The equities, cash and fixed interest holdings are held in the Prudence Inheritance Capital Fund.
- These holdings can either rise or fall in value.
- Any income (dividend payments, interest etc) achieved by the holdings in the Prudence Inheritance Capital Fund are paid into the Income Fund.

## 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
01/03/22	118,792.52	120,706.70
01/03/23	112,250.06	125,449.73
01/03/24	106,735.69	130,519.86
01/03/25	112,997.77	135,504.91

### The four most recent quarterly values

01/06/24	110,754.63	132,210.22
01/09/24	112,343.52	133,401.41
01/12/24	111,315.42	134,597.33
01/03/25	112,997.77	135,504.91

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.

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