

PAC Euro 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.

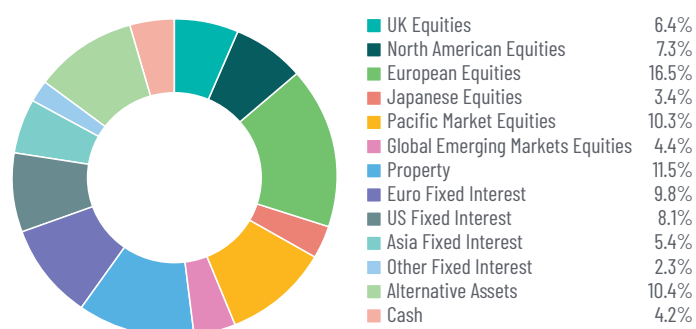
Access to this fund is no longer available to new customers investing in Prudential International Investment Bond (PIIB) or International Prudence Bond (IPB) on or after 11/09/2017. If you are an existing customer pre 11/09/2017, you will still be able to top up or switch into this fund.

* Source: S&P as at August 2021

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.

Asset allocation



This is the asset allocation for the fund as at 31 March 2022. Asset allocations are regularly reviewed and may vary from time to time, but will always be consistent with the fund objective.

Fund performance

Performance of the PAC Euro With-Profits Fund*

31/03/17 – 31/03/18	31/03/18 – 31/03/19	31/03/19 – 31/03/20	31/03/20 – 31/03/21	31/03/21 – 31/03/22
0.6%	6.0%	-6.8%	24.3%	5.7%

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.

Fund investments

The Fund currently invests in European and international equities, property, fixed interest securities, index-linked securities and other specialist investments.

Top ten holdings

*1	HARBOURVEST GLOBAL PRIVATE EQUITY	2.50%
2	HG CAPITAL TRUST PLC	1.07%
*3	BBGI GLOBAL INFRASTRUCTURE S.A SA	0.59%
*4	SDCL ENERGY EFFICIENCY INCOME TRUS	0.57%
5	ISHARES MSCI INDIA UCITS ETF USD A	0.47%
*6	NEXTENERGY SOLAR LTD	0.45%
7	ISHARES UK PROPERTY UCITS ETF GBP	0.40%
*8	RENEWABLES INFRASTRUCTURE GROUP LT	0.39%
9	ISHARES ASIA PROPERTY YIELD UCITS	0.11%
10	ECO FIN U.S. RENEWABLES INFRASTRUCT	0.11%

*Listed other investment asset vehicle

Source: M&G as at 31 March 2022

* 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 Euro With-Profits Sub-Fund. Fund performance from 25 July 2005 onwards is based on the PAC Euro 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 1 2022

Short-term outlook: The US, UK and the euro area have reached their pre-pandemic level GDP. Recent economic data also points to positive, albeit slowing growth. There are several reasons underlying the slowdown. Geopolitical conflicts coming from the Russian invasion of Ukraine adds a new layer of complexity to the already elevated levels of energy prices. Higher energy prices could impact consumer demand, slowing growth. To help bring inflation down, central banks have also begun to tighten policy. This comes at a time of declining consumer sentiment and still weak real wage growth. Furthermore, China's ongoing battle against its worst covid outbreak in two-years, suggest that the risk of Covid has not gone away. New lockdowns in China will likely worsen the ongoing supply chain disruptions. Each of these presents potential to slow growth but are unlikely to cause a full collapse.

Inflation: Developed market inflation rates once again rose in the February round of readings. Annual CPI Inflation reached 6.2% in the UK, 7.9% in the US and 5.9% in the euro area. Core inflation has also risen more than two-times the central bank target in the UK and US, while it remains well above 2% in the euro area. Whilst energy prices roughly account for 10% of an advanced economies' inflation basket, it remains a key contributor to headline inflation. Heightened geopolitical conflicts in Eastern Europe means risks to upside inflation is elevated. The Bank of England governor Andrew Bailey expects that the Ukraine invasion will fuel the UK cost of living crisis, taking inflation to around 8% in Q2 this year.

Monetary Policy: The Federal Reserve raised its Fed Funds Target rate by 25bps, taking it to 0.25%-0.50%. The Fed Chair Jerome Powell vowed to increase rates more aggressively, if needed to tame inflation. Since the meeting, FOMC member Lael Brainard has raised the prospect of the balance sheet also being tapered more aggressively. The market is pricing in a 50bps rate hike at the next FOMC meeting.

The Bank of England hiked its policy rate for the third time in a row, taking it to 0.75%.

Although the bank is expected to hike again at its next MPC meeting, the case for tightening beyond May is now less clear. This results from a "dovish" tone that was struck during the bank's MPC statement. The BoE acknowledged the decline in consumer confidence and the impact of further rate hikes on household finances. At a recent event, the BoE Governor Andrew Bailey mentioned that UK households faces a "historic shock to real incomes" this year. Whilst the ECB is expected to only increase rates "some time after" the end of bond buying programme, the plans to wind down stimulus was brought forward. The pre-pandemic asset purchase program, or APP, will decline from €40bn in April to €30bn in May, followed by €20bn in June.

Please note

You may only invest in one fund within the 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	€1,176m as at 31 March 2022

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

The registered office of Prudential International is in Ireland at Montague House, Adelaide Road, Dublin 2. Prudential International is a marketing name of Prudential International Assurance plc, a life assurance company operating from Ireland. Registration No. 209956. Prudential International Assurance plc is authorised and regulated by the Central Bank of Ireland and in the context of its UK regulated activities only, is deemed authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website. Prudential International is part of the same corporate group as The Prudential Assurance Company Limited. Both The Prudential Assurance Company Limited and Prudential International are direct and indirect subsidiaries respectively of M&G plc, a company incorporated in the United Kingdom. The Prudential Assurance Company Limited is not affiliated in any manner with Prudential Financial, Inc, a company whose principal place of business is in the United States of America or Prudential plc, an international group incorporated in the United Kingdom.