

PAC Sterling With-Profits Fund

For more information on this fund or if you have any questions, 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.

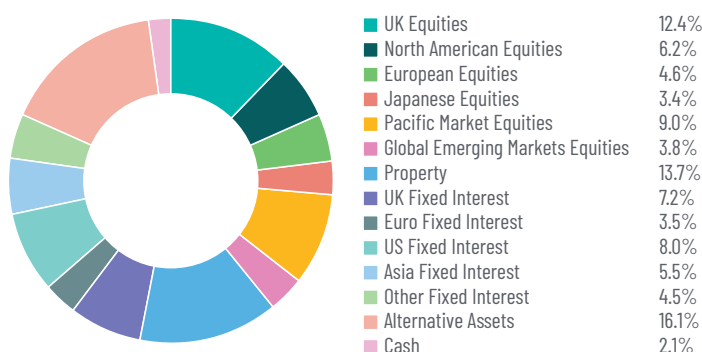
Access to this fund is no longer available to new customers investing in Prudential International Investment Bond (PIIB) or International Prudence Bond (IPB) on or after 11/09/2017. If you are an existing customer pre 11/09/2017, you will still be able to top up or switch into this fund.

* Source: S&P as at January 2023

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 December 2023.

Asset allocations are regularly reviewed and may vary from time to time, but will always be consistent with the fund objective.

Glossary of investment terms available at pru.co.uk/glossary

Fund performance

Performance of the PAC Sterling With-Profits Fund*

31/12/18 – 31/12/19	31/12/19 – 31/12/20	31/12/20 – 31/12/21	31/12/21 – 31/12/22	31/12/22 – 31/12/23
11.5%	1.7%	12.0%	-1.5%	4.3%

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 UK and international equities, property, fixed interest securities, index-linked securities and other specialist investments.

Top ten holdings*

1	ISHARES JPMORGAN USD EMERGING MARKET	0.72%
2	TAIWAN SEMICONDUCTOR MANUFACTURING	0.52%
3	ASTRAZENECA PLC	0.50%
4	HSBC HOLDINGS PLC	0.47%
5	SHELL PLC	0.40%
6	ISHARES JPM EM LOCAL GOVT BOND UCI	0.35%
7	UNILEVER PLC	0.34%
8	DELTA CORP ZIM LTD	0.34%
9	BP PLC	0.33%
10	MICROSOFT CORP	0.28%

Source: M&G as at 31 December 2023.

* Largest assets excluding derivatives exposure positions.

* 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 Sterling With-Profits Sub-Fund. Fund performance from 25 July 2005 onwards is based on the PAC Sterling 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 4 2023

Short-term outlook

As we move through 2023, an ongoing slowdown is playing out, however, full year growth forecasts have been upwardly revised since the turn of the year. Weaker global export orders have been dampening economic growth prospects in both advanced and emerging economies. Despite private sector balance sheets being in better positions than at the onset of previous downturns, fragilities have begun to emerge further weighing down on sentiment. Our 'Economic Activity Indicator' indicates contractionary levels but with recovery in short-term momentum in recent readings.

Inflation

Alongside base effects, whereby large price level shifts over the past year drop out of year-on-year calculations, headline annual inflation prints have been on a downward trajectory in recent months. However, abstracting from cyclical components, there are still signs that core inflation remains sticky, particularly given tight labour market conditions, and will only respond to easing headline pressures with a lag. Energy prices, a historically volatile component of inflation, has been on a steeper than anticipated downward trajectory in November and has fed through to lower than expected inflation readings.

Monetary Policy

While economic data remains largely resilient, particularly in the labour market of advanced economies, core inflation continues to normalise with a lag to lower headline inflation readings as energy prices fall and base effects drop off. Policy rate cuts are now expected to ease next year. It remains to be seen to what extent monetary conditions will be eased if a more pronounced economic downturn does materialise.

Please note

You may only invest in one 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	£91.5bn as at 31 December 2023

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

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