PruFund Cautious (US Dollar) Fund
PruFund Protected Cautious (US Dollar) 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.

**Fund aim**

Objective: The fund aims for steady and consistent growth over the medium to long term (5 to 10 years or more) through a cautious approach to investing.

Fund Investments: The fund invests in US and international equities, property, fixed interest securities, index-linked securities, cash and other specialist investments. The fund will aim to invest 50-75% in fixed interest securities, index-linked securities and cash, although we may occasionally move outside this range to meet the fund objectives.

**Asset allocation**

![Asset Allocation Diagram]

Source: Prudential as at 30 June 2019. Asset allocations are regularly reviewed and may vary from time to time, but will always be consistent with the fund objective.

**Fund manager commentary**

30 June 2019

Most stockmarkets around the world made further gains in the second quarter of 2019, rounding off a solid start to the first half of the year. This was despite a significant wobble in May, when renewed trade war concerns after President Trump escalated disputes with China and Mexico spooked investors, who then sought safety in core government bonds.

UK stockmarkets rose during the second quarter, with rallies in April and June overcoming marked weakness in May. US stockmarkets were volatile during the second quarter, although they rose overall. European stockmarkets ended the period in positive territory. The Japanese stockmarket was one of the weaker performers globally in the second quarter, this was partly due to a sharp rise in the yen, which benefited from its status as a safe haven currency. Asia Pacific ex Japan was turbulent over the period.

UK commercial property recorded a small positive total return. However, the overall positive return masks a divergence between Offices and Industrial (where capital values have increased every month so far this year) and Retail (where capital values are falling). UK government bonds (gilts) delivered further positive returns in the second quarter of 2019 as the prospect of renewed stimulus from the world’s central banks provided a supportive backdrop. During the second quarter, global bond markets generally delivered positive returns, helped by solid performance in the final month of the period.

The M&G Prudential Treasury & Investment Office (T&IO), includes the team formerly known as Prudential Portfolio Management Group outlook remains constructive although global economic growth slowed in 2018 and is likely to continue doing so in 2019.

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.

**M&G Prudential Treasury & Investment Office (T&IO), includes the team formerly known as Prudential Portfolio Management Group**

- T&IO are the in-house investment strategists and "manager of managers" for Prudential in the UK.
- They are independent of the various underlying asset management businesses within the Prudential Group.
- T&IO is a team of over 80 that includes experienced investment professionals with specialist expertise in capital markets research, investment strategy design, liability management, alternative investments and portfolio management.
- They are responsible for over £175 billion of investors’ money, as at 30 June 2019.

Source: Prudential as at 30 June 2019. Asset allocations are regularly reviewed and may vary from time to time, but will always be consistent with the fund objective.

continued overleaf
**PruFund Cautious (US Dollar) Fund**

**PruFund Protected Cautious (US Dollar) Fund**

### Past performance

**Performance of the PruFund Cautious (US Dollar) Fund in each year of the last 5 years**

<table>
<thead>
<tr>
<th>Period</th>
<th>Percentage Growth</th>
</tr>
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<tbody>
<tr>
<td>31/07/18 to 31/07/19</td>
<td>3.18%</td>
</tr>
<tr>
<td>31/07/17 to 31/07/18</td>
<td>5.30%</td>
</tr>
<tr>
<td>31/07/16 to 31/07/17</td>
<td>5.34%</td>
</tr>
<tr>
<td>31/07/15 to 31/07/16</td>
<td>-1.01%</td>
</tr>
<tr>
<td>31/07/14 to 31/07/15</td>
<td>5.87%</td>
</tr>
</tbody>
</table>

### Percentage growth since launch on 25 November 2009

Source: Financial Express (FE) Analytics. Please remember that past performance is not a reliable indicator of future performance. The 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 additional investment expenses. They take no account of product or advice charges.

The application of charges will impact the overall performance. Please also 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 the fund’s currency of denomination with gross income reinvested. The value of your investment can go down as well as up and you may not get back the amount you put in. Performance is shown on a bid to bid price basis.

These funds are available through our Prudential International Investment Bond and International Prudence Bond. Investments in the PruFund Range of Funds are backed by assets in the Long-Term Fund of The Prudential Assurance Company Ltd, through a reinsurance agreement.

These funds aim to protect investors against some of the ups and downs of investment performance using “smoothing” mechanisms. Please refer to “Your guide to investing in the PruFund Range of Funds” for more information.

The PruFund Protected Cautious (US Dollar) Fund includes a guarantee. This means that on the Guarantee Date your fund will have a value equal to at least the value of the fund holding at the start of the guarantee period, after a proportional reduction for any regular or one-off withdrawals. There is a charge for the guarantee; please see “The PruFund Range of Funds: Guarantee options” for more information.

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.

www.prudential-international.com