PAC Euro With-Profits Fund

This fact sheet is for information only and is predominantly designed for Financial Advisers to discuss with their clients. If you are not a Financial Adviser and there is information or terminology 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). This fund is rated AA* by Standard & Poor's.

* Source: S&P as at June 2017

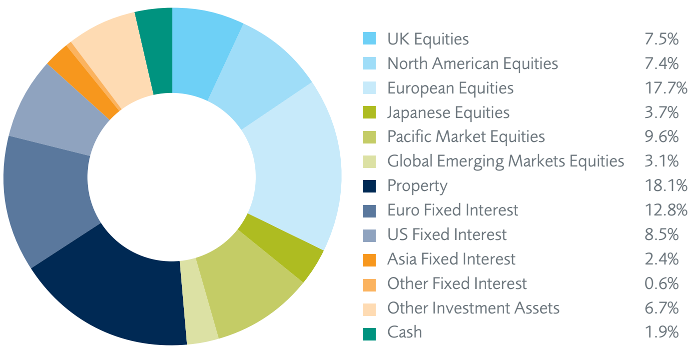
Fund objective

The Fund aims to maximise growth over the medium to long term while helping to smooth the peaks and troughs of investment performance.

Fund investments

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

Asset allocation



This is the asset allocation for the fund as at 30 June 2017. Asset allocations are regularly reviewed and may vary from time to time, but will always be consistent with the fund objective.

Top ten holdings

1	HARBOURVEST GL PE ORD NPV	1.4%
2	BBGI SICAV S.A. ORD NPV	1.0%
3	NESTLE SA CHF0.10 (REGD)	0.6%
4	HG CAPITAL TRUST ORD GBP0.25	0.5%
5	NOVARTIS AG CHF0.50 (REGD)	0.5%
6	ROCHE HLDGS AG GENUSSCHEINE NPV	0.5%
7	THE RENEWABLES INF ORD NPV	0.4%
8	NEXTENERGY SOLAR F RED ORD NPV	0.4%
9	BAYER AG NPV (REGD)	0.4%
10	SANOFI EUR2	0.3%

Source: M&G as at 30 June 2017.

Fund performance	Percentage change – year to date (to end 30 June 2017)	Annualised return – 5 years to end 30 June 2017	Annualised return – since inception of product (31 March 2002) to end 30 June 2017
PAC Euro With-Profits Fund*	3.6%	8.2%	4.3%

Please remember that past performance is not a reliable indicator of future performance. The performance of funds and any income from them cannot be guaranteed.

The value of an investment may fluctuate and is therefore not guaranteed. You may not get back the full amount of your investment. 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.

Changes in the rates of exchange between currencies may cause your investment income to go down or up.

* 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.

continued overleaf

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 2 2017

Economic indicators, such as employment statistics, manufacturing activity and company profits, seem to indicate that the global economy is recovering steadily. However, recent data from the US was somewhat disappointing, although not weak enough to stop the Federal Reserve (Fed) raising interest rates for the fourth time in the current economic cycle. Inflation remains fairly benign across many countries, notably the US, with the exception being the UK, where prices are rising at the fastest rate since 2013. Towards the end of the review period, central bank commentators appeared to signal that the improving global economy meant that the era of very low interest rates was coming to an end.

Our baseline outlook for the global economy remains constructive and we expect a moderate, but generally broad-based, pickup in global growth. Consumer and business confidence measures remain at levels that signify expansion, labour markets are continuing to improve, monetary policy remains accommodative in many economies, and fiscal policy is no longer a drag on economic growth. Moreover, recessions have ended in some of the large emerging markets and, barring an unexpected shock, China's economy is expected to only very marginally slow on an annual basis. However, a lack of synchronicity in business cycles across many economies will prevent a substantial acceleration in economic growth.

Risks to this outlook pertain to concerns about whether the Chinese authorities can manage a slow and controlled economic slowdown; political risk remains an issue as it could impact the prospects for structural reform or increase confidence denting uncertainty, such as in the UK, US and Brazil; worries about the possibility of rising trade protectionism, which would have pernicious impacts on inflation and growth; and the possibility that rising rates/balance sheet shrinkage in the US could disruptively tighten financial conditions in emerging markets.

Following some recent weakness in inflation in advanced economies, consumer prices are expected to rise in coming months. More durable factors should increasingly come into play, such as tightening labour markets, which are pushing up wages, as well as more supportive fiscal policy. Inflation is expected to be more sustainable in the US as there is little labour market slack, while the UK's steep currency depreciation is expected to keep inflation well-above the central bank target of 2% year-on-year in the short-term. However, inflation appears less sustainable in the euro zone and Japan, as evidenced by low (or negative in the case of Japan) core inflation.

The pace of US Federal Reserve (Fed) tightening is likely to accelerate, and we expect one more rate rise in 2017, followed by three additional hikes in 2018. Balance sheet shrinkage is also likely to start this year. By comparison, the European Central Bank (ECB) and the Bank of Japan (BoJ) are likely to continue to ease policy, albeit at a slower pace, with the ECB gradually concluding its asset purchases in 2018, and a possible move on rates such that the deposit rate is no longer negative.

We believe that the Bank of England (BoE) will at the very least keep policy on hold in response to an economic slowdown in the UK.

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	Prudential Portfolio Management Group Ltd
Fund size	€1,026m as at 30 June 2017

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.

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