

Aims

Objective: The investment strategy of the fund is to purchase units in the M&G PP Fixed Interest Fund - the underlying fund.

Underlying Fund Objective: The fund invests mainly in UK government gilts. The fund is actively managed against its benchmark, the FTSE Actuaries UK Conventional Gilts All Stocks Index. The fund can also invest in overseas government bonds and corporate bonds issued by UK and overseas companies and institutions. Exposure to short-term exchange rate movements from any overseas holdings is mitigated by hedging.

Performance Objective: To outperform the benchmark by 0.75% a year (before charges) on a rolling three year basis.

Benchmark

Benchmark	FTSE Actuaries UK Conventional Gilts All Stocks Index
Sector	ABI Sterling Fixed Interest

Identification Codes

Sedol Code	0702317
Mex Code	PUPMF
Isin Code	GB0007023178
Citi Code	PS22

Fund Overview

Bid (27/11/2020)	6.70
Offer (27/11/2020)	7.05
Fund size (30/09/2020)	£32.88m
Underlying Fund size	£67.96m
Number of holdings	16
Launch date	02/07/1991

Fund Charges

Annual Management Charge (AMC)	0.75%
Further Costs	0.03%
Yearly Total	0.78%

Performance



Discrete performance - to latest available quarter end

	30/09/15 to 30/09/16	30/09/16 to 30/09/17	30/09/17 to 30/09/18	30/09/18 to 30/09/19	30/09/19 to 30/09/20
Fund	12.5%	-3.8%	0.0%	12.2%	3.5%
Benchmark	12.6%	-3.6%	0.6%	13.4%	3.4%

Performance - to latest available quarter end

	Quarter	Annualised		
	3 to 2020	3 Years to 30/09/20	5 Years to 30/09/20	10 Years to 30/09/20
Fund	-1.2%	5.1%	4.7%	4.8%
Benchmark	-1.2%	5.7%	5.1%	5.2%

Prudential Risk Rating

Lower to Medium Risk

These funds may invest in corporate bonds or multi-asset strategies with a higher weighting in corporate bonds (and other comparable strategies).

These risk ratings have been developed by Prudential to help provide an indication of a fund's potential level of risk and reward based on the type of assets which may be held by the fund. Other companies may use different descriptions and as such these risk ratings should not be considered as generic across the fund management industry.

We regularly review our fund risk ratings, so they may change in the future. If, in our view, there is a material change in the fund's level of risk, for example due to a significant change to the assets held by the fund or in the way the fund is managed, we will provide information on the new risk rating. We recommend that you make sure you understand the risk rating of any fund before you invest.

You should also consider discussing your decision and the appropriateness of a fund's risk rating with an adviser.

Fund Managers



Name: Miles Tym
 Manager of the underlying fund for: 8 years, 2 months

Important Information

- Some funds may invest in 'underlying' funds or other investment vehicles. The performance of our fund, compared to what it's invested in won't be exactly the same. That can be due to additional charges, cash management (needed to help people to enter and leave our fund when they want), tax and the timing of investments (this is known as a fund's dealing cycle, it varies between managers and can be several days).
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- Source of portfolio data: Broadridge. Source of performance data: FE fundinfo. We can't predict the future. Past performance isn't a guide to future performance. The figures shown are intended only to demonstrate performance history of the fund, after allowing for the impact of fund charges and further costs, but take no account of any Annual Management Charge paid for by the deduction of units. Charges and further costs 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 GBP with gross income reinvested. The value of your investment can go down as well as up so you might get back less than you put in.
- This factsheet is intended for the trustees, sponsors, advisers and members of occupational pension schemes using Prudential group pension contracts and Prudential grouped personal pensions and Stakeholder pension contracts. Its purpose is to provide an insight into how investment markets and funds have performed over the period and is provided for information only. If you are not familiar with any of the investment terminology included, then please contact an adviser. Investors should refer to their scheme documentation (e.g. Fund Guide) for fund availability, investment strategy, any scheme information and charges. Every care has been taken in populating this output, however it must be appreciated that neither Broadridge, Prudential nor their sources guarantee the accuracy, adequacy or completeness of this information or make any warranties regarding results from its usage.

Top 10 Holdings

Name	% Weight	Sector	Country
1 4½% Treasury Gilt 2042	10.60%	Bonds	United Kingdom
2 KFW MTN RegS	9.76%	Bonds	Germany
3 ½% Treasury Gilt 2035	8.69%	Bonds	United Kingdom
4 ½% Treasury Gilt 2026	8.34%	Bonds	United Kingdom
5 6% Treasury Stock 2028	7.60%	Bonds	United Kingdom
6 1% Treasury Gilt 2024	7.04%	Bonds	United Kingdom
7 1 ¾ Treasury 2057	6.86%	Bonds	United Kingdom
8 1½% Treasury Gilt 2054	6.60%	Bonds	United Kingdom
9 1¼ % Treasury Gilt 2041	6.09%	Bonds	United Kingdom
10 INTER-AMERICAN DEVELOPMENT BANK MTN	4.68%	Bonds	Luxembourg

Asset Allocation



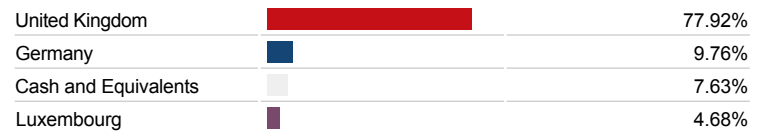
Regional Allocation



Bond Sector Breakdown



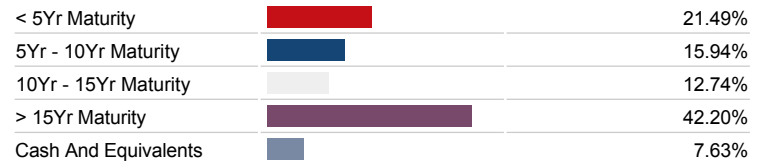
Top Country Breakdown



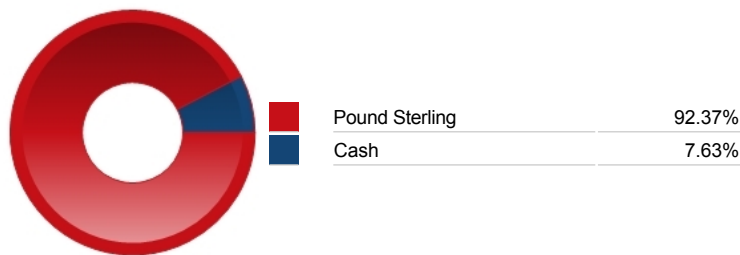
Fixed Interest Quality Profile



Fixed Interest Maturity Profile



Fixed Interest Currencies



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Performance comment

Performance as at Q2 2020 - With the increased issuance and heightened volatility over the quarter the manager was able to exploit multiple supply focused price anomalies across the curve. This has resulted in a positive contribution to fund level from relative value trading.

During the quarter the manager opportunistically purchased ultra index linked gilts versus ultra fixed rate bonds. This position performed well and as a result was closed at a profit.

The short dated Supranational bonds (EIB, KFW and IADB) performed strongly and as a result the manager took the opportunity to reduce this position.

The manager closed the overweight position relative to the benchmark in corporate bonds (Goldman Sachs and Legal and General) as credit spreads tightened significantly after the government and Bank of England offered support to the economy. This contributed positively to performance.

The fund remains overweight relative to the benchmark, albeit in smaller size, in short dated supranationals as they still offer value relative to short dated gilts.

The fund has significantly de-risked active exposures over the quarter and is left in a strong position to respond to market fluctuations as they may arise.

Activity in the fund continued to focus on an active stock specific relative value approach. During the quarter, the manager took advantage of a number of anomalies in relative value across the index linked gilt yield curve.

Source: M&G