

**Aims**

Objective: The investment strategy of the fund is to purchase units in the Baillie Gifford UK Equity Core Fund - the underlying fund.

Underlying Fund Objective: The objective of that fund is to outperform (after deduction of costs) the FTSE All-Share Index by at least 1% per annum over rolling five-year periods. The underlying (Baillie Gifford) fund will invest at least 80% directly or indirectly in shares of UK companies, being those which are incorporated, domiciled or conduct a significant portion of their business in the UK. The underlying fund will be actively managed and may invest in UK companies of any size and in any sector. The indirect investment will be through collective investment schemes including those managed or operated by the Authorised Corporate Director (ACD) of the underlying fund. The underlying fund may also invest in companies which are listed, quoted or traded in the UK. To the extent that the underlying fund is not fully invested directly or indirectly in shares of such companies, it may also invest in other transferable securities of UK companies, deposits and cash. The underlying fund may not invest in or otherwise use derivatives.

**Benchmark**

Benchmark FTSE All Share Index  
Sector ABI UK All Companies

**Identification Codes**

Sedol Code	3420188
Mex Code	PUPAC
Isin Code	GB0034201888
Citi Code	P552

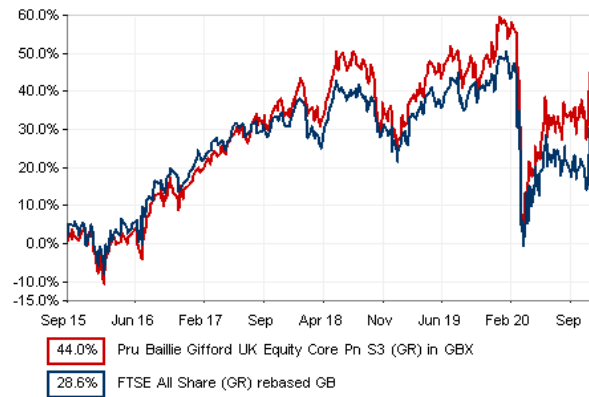
**Fund Overview**

Daily price (30/11/2020)	357.83
Fund size (30/09/2020)	£12.63m
Underlying Fund size	£24.55m
Number of holdings	123
Launch date	05/04/2004

**Fund Charges**

Annual Management Charge (AMC)	Please refer to the "Fund Guide" for your specific pension plan
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**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	13.9%	17.5%	9.8%	0.4%	-9.6%
Benchmark	16.8%	11.9%	5.9%	2.7%	-16.6%

**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	0.7%	-0.1%	5.9%	7.9%	
Benchmark	-2.9%	-3.2%	3.5%	5.1%	

**Prudential Risk Rating**

**Higher Risk**

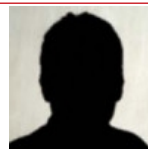
These are specialist equity funds that focus on set geographical regions or a particular type of share e.g. shares of smaller companies or those that conform to certain criteria.

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: Team Managed  
Manager of the underlying fund for: 21 years, 2 months

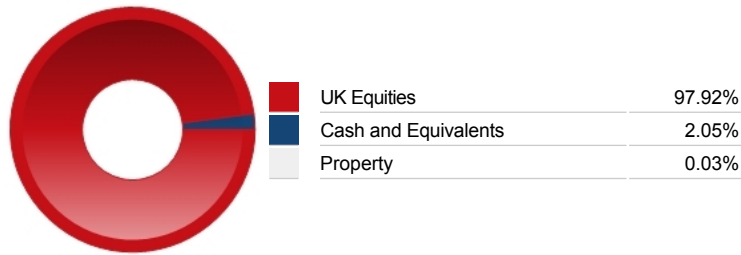
**Important Information**

- 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).
- Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2019. FTSE Russell is a trading name of certain of the LSE Group companies. e.g., "FTSE®", "Russell®", "FTSE Russell®", "MTS®", "FTSE4Good®", "ICB®", "Mergent®, The Yield Book®," are a trade mark(s) of the relevant LSE Group companies and are used by any other LSE Group company under license. "TMX®" is a trade mark of TSX, Inc. and used by the LSE Group under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.
- 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 Prudential	4.73%	Life Insurance	United Kingdom
2 Royal Dutch Shell B	4.52%	Oil & Gas Producers	United Kingdom
3 Ashtead Group	4.06%	Support Services	United Kingdom
4 St. James's Place	4.02%	Life Insurance	United Kingdom
5 BHP Billiton	3.55%	Mining	United Kingdom
6 Diageo	3.41%	Beverages	United Kingdom
7 British American Tobacco	3.37%	Tobacco	United Kingdom
8 Rio Tinto	2.93%	Mining	United Kingdom
9 Legal & General Group	2.56%	Life Insurance	United Kingdom
10 Bunzl	2.55%	Support Services	United Kingdom

**Asset Allocation**



**Regional Allocation**



**Equity Sector Breakdown**

Financials	28.03%
Industrials	23.27%
Consumer Services	14.83%
Consumer Goods	13.00%
Basic Materials	8.74%
Oil & Gas	6.03%
Health Care	2.82%
Other Sectors	3.28%

**Top Country Breakdown**

United Kingdom	97.92%
Cash and Equivalents	2.05%
Direct Property and REITs	0.03%

**Breakdown By Market Cap (%)**

Mega	32.20%
Large	22.13%
Medium	34.23%
Small	5.10%
Micro	1.10%
Non-Classified	3.18%
Cash	2.05%

**Important Information**

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## Performance comment

Performance as at Q2 2020 - After the sharp fall in the UK stock market in the three months to end March, Q2 was more encouraging.

The wealth manager, St James's Place, was helped by a combination of rising markets and resilient net inflows reported during the lockdown which is testament to the strong links between their advisers and their clients.

The plant hire and rental business Ashtead also performed strongly. This has been one of the fund's best performing investments since the fund manager bought it back in 2010 thanks to the almost flawless execution by management in substantially growing the US business which now accounts for over 80% of group revenues. In the most recent quarter, it suffered to some extent from a decline in demand but arguably held up better than it would have done in the past because of the broader customer base and introduction of more speciality rental products such as floor cleaning equipment (a must in the growing number of ecommerce distribution centres). The fund management team think that these steps should strengthen its competitive advantage, which offers scope for it to emerge stronger from the crisis.

The miniature war-gaming company, Games Workshop also made a positive contribution to performance. This is a company the fund manager has been following closely for some time, and the fund management team decided to exploit the recent share price weakness to buy it for the portfolio. Since re-opening some of its stores and warehouses across 20 countries, the recovery in sales has been stronger than expected and this has underpinned robust full year results, despite the recent lockdown environment. The fund management team believe it has a very solid core franchise, high quality IP and a large addressable market.

The fund's underweight exposure to Royal Dutch Shell and HSBC was helpful over the quarter and the fund manager took the decision to sell out of both holdings on fundamental grounds. The long-term growth focus had already heavily skewed the portfolio away from the oil & gas companies, and the sale of Shell reflects the fund managers long-term outlook for the industry. This was a finely balanced decision that the fund management team had been thinking about for some time but it was ultimately prompted by the company's announcement to cut its dividend by two thirds. As growth investors, dividend income is not typically part of our central investment case; however given Shell has a world leading position in liquefied natural gas (LNG), a reasonably strong balance sheet and that there are tentative signs of management beginning to grasp the big picture on carbon transition, the fund management team found this dramatic dividend cut (the first since WWII) to be telling about both the short-term and long-term challenges facing the oil majors in an era of carbon transition. Fearing these headwinds are even more pressing and the future more challenging than we had thought when previously debating Shell's merits, so sold out of the holding. In the case of HSBC, the fund management team came to the conclusion that although it has a very strong franchise in Hong Kong (albeit with political challenges) and to a lesser extent in Asia more broadly, much of the rest of the business is far less attractive in terms of returns. Moreover, the revolving door of management and the challenge in implementing an extensive cost cutting exercise in a period of significant recession, low interest rates and heightened regulatory scrutiny, suggested to us that the outlook was increasingly difficult for HSBC.

Source: Baillie Gifford

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