

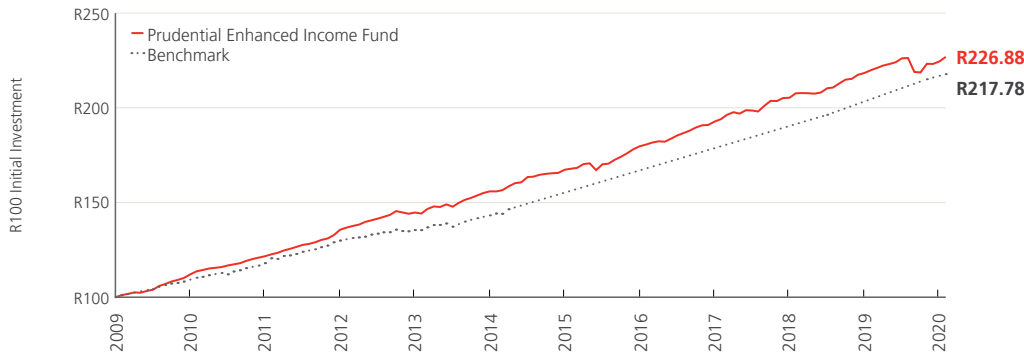
PRUDENTIAL ENHANCED INCOME FUND

31 AUGUST 2020

FACT SHEET/MINIMUM DISCLOSURE DOCUMENT

MULTI-ASSET

SINCE INCEPTION CUMULATIVE PERFORMANCE, DISTRIBUTIONS REINVESTED (A CLASS)



ANNUALISED PERFORMANCE	A CLASS	BENCHMARK	T CLASS	X CLASS	D CLASS
1 year	3.2%	6.5%	3.5%	3.2%	3.6%
3 years	5.4%	7.0%	5.8%	5.5%	5.9%
5 years	6.2%	7.1%	6.6%	6.4%	6.8%
7 years	6.7%	7.0%	n/a	6.9%	7.3%
10 years	7.2%	7.0%	n/a	n/a	n/a
Since inception	7.7%	7.2%	6.6%	7.3%	7.7%

* Inception dates: X Class: 1 April 2011, D Class: 1 July 2011, T Class: 2 January 2015

1-YEAR INCOME RETURN	A CLASS	T CLASS	X CLASS	D CLASS
Fund yield (net of fees)	6.7%	7.0%	6.7%	7.1%

RETURNS SINCE INCEPTION**	A CLASS	DATE
Highest annualised return	12.9%	30 Nov 2010
Lowest annualised return	1.8%	30 Apr 2020

** 12-month rolling performance figure

RISK MEASURES	A CLASS	BENCHMARK
Monthly volatility (annualised)	2.3%	1.3%
Maximum drawdown over any period	-3.4%	-1.2%
% of positive rolling 12 months	100.0%	100.0%
Information ratio	-0.6	n/a
Sortino ratio	-0.6	2.5
Sharpe ratio	-0.5	0.6

ASSET ALLOCATION	
SA Bonds (ex. Inflation-linked Bonds)	37.2%
SA Cash	34.1%
Foreign Cash	11.1%
SA Inflation-linked Bonds	9.0%
Foreign Bonds	5.7%
SA Listed Property	2.8%

TOP 10 HOLDINGS*

1. Prudential Corporate Bond Fund	16.6%
2. iShares Floating Rate Bond ETF	14.6%
3. Prudential High Interest Fund	11.2%
4. Republic of SA Bond 10.50% 211226 (R186)	10.4%
5. Firststrand Bank FRN J3+1.69% 140829	3.6%
6. Telkom SA Bond 9.57% 040924	2.6%
7. Republic of SA Bond 8.50% 310137 (R2037)	2.6%
8. Eskom Holdings Bond 8.5% 250442	2.2%
9. iShares Interest Rate Hedged High Yield Bond ETF	2.0%
10. Prudential Income Fund	1.9%

*As at 30 June 2020 (updated quarterly)

INVESTMENT OPTIONS	A CLASS	T CLASS	I CLASS	X CLASS	D CLASS
Minimum lump sum investment	R10 000	R10 000	R10 000	R10 000	R20 million
Minimum monthly debit order	R500 pm	R500 pm	R500 pm	R500 pm	n/a

INITIAL FEES (excl. VAT)	A CLASS	T CLASS	I CLASS	X CLASS	D CLASS
Prudential	0.00%	0.00%	0.00%	0.00%	0.00%
Financial adviser (if applicable)	3.00% (max)	3.00% (max)	3.00% (max)	3.00% (max)	0.00%

ANNUAL MANAGEMENT FEES (excl. VAT)	A CLASS	T CLASS	I CLASS	X CLASS	D CLASS
Prudential**	0.75%	0.60%	1.00%	0.80%	0.50%
Financial adviser service fee*** (if applicable)	0.00%	0.00%	0.30%	0.30%	0.00%

** Additional underlying foreign fund fees are dependent on the fund and are included in the TER

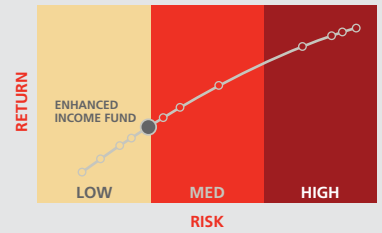
*** Included in Prudential's annual management fee above (A & T Class Financial Adviser Fees: Initial and Ongoing Adviser Fees are negotiated between the Investor and Financial Adviser. Should you agree to an ongoing Adviser Fee, this will be paid via the regular repurchase of units)

EXPENSES (incl. VAT)	A CLASS	T CLASS	I CLASS*	X CLASS	D CLASS
Total Expense Ratio (TER)	1.15%	0.74%	1.21%	0.97%	0.63%
Transaction Costs (TC)	0.07%	0.07%	0.06%	0.07%	0.07%
Total Investment Charges (TIC)	1.22%	0.81%	1.27%	1.04%	0.70%

Where a transaction cost is not readily available, a reasonable best estimate has been used. Estimated transaction costs may include Bond, Money Market, and FX costs (where applicable).

*Estimated expenses

RISK/RETURN PROFILE:



FUND OBJECTIVE:

To maximise total returns in excess of the benchmark over a rolling 36-month period, while seeking to protect capital and reduce volatility through active asset management.

INVESTOR PROFILE:

Individuals requiring an actively managed income solution that provides a high income return together with moderate capital growth. The recommended investment horizon is 1 to 3 years.

INVESTMENT MANDATE:

The Fund invests in a flexible mix of high-yielding securities. The intended maximum limits are Equity 10%, Listed Property 25%, Foreign 20%, plus additional 5% Africa (excl. SA). No duration constraints apply. The Fund is managed to comply with regulations governing retirement fund investments (Regulation 28).

FUND MANAGERS:

David Knee and Roshen Harry

ASISA CATEGORY:

South African - Multi-Asset - Income

BENCHMARK:

STeFI Composite Index measured over a rolling 36-month period

INCEPTION DATE:

1 July 2009

FUND SIZE:

R1 933 911 945

INCOME DISTRIBUTIONS	TOTAL DISTRIBUTIONS	12-MONTH YIELD
(A Class) 30 June 2020	1.70 cpu	7.12%
(A Class) 31 March 2020	2.07 cpu	7.07%
(A Class) 31 December 2019	2.20 cpu	6.66%
(A Class) 30 September 2019	2.03 cpu	6.66%
(D Class) 30 June 2020	1.79 cpu	7.62%
(D Class) 31 March 2020	2.16 cpu	7.63%
(D Class) 31 December 2019	2.34 cpu	7.24%
(D Class) 30 September 2019	2.22 cpu	7.22%
(T Class) 30 June 2020	1.75 cpu	7.49%
(T Class) 31 March 2020	2.12 cpu	7.51%
(T Class) 31 December 2019	2.30 cpu	7.12%
(T Class) 30 September 2019	2.18 cpu	7.11%

If the income earned in the form of dividends and interest exceeds the total expenses, the Fund will make a distribution. (cpu = cents per unit)

FUND COMMENTARY

Global equity markets were broadly positive in August on the back of advancements in the development of a Covid-19 vaccine, the broad-based resumption of global economic activity, and the announcement of a new approach to average-inflation targeting by the US Federal Reserve. In the US, investor sentiment was buoyed following the announcement that the Phase 1 trade agreement with China would go ahead as planned after the Trump administration continued asserting restrictions on Chinese Telecoms giant Huawei. Advance estimates confirmed that the US economy entered a recession after declining 31.7% q/q in Q2. In the UK, preliminary estimates showed that the economy shrank by 20.4% q/q in Q2, the largest contraction on record. The Bank of England (BoE), meanwhile, maintained its key bank rate at a record low of 0.1% and kept its bond-buying programme at GBP745bn. The BoE warned that Britain's economy may take longer to recover than initially expected, and that inflation would likely fall further below the 2% target. Meanwhile, the Euro Area economy also entered a recession after advanced estimates showed GDP contracting 11.8% q/q in Q2. The ECB maintained its EUR1.35trn Pandemic Emergency Purchase Programme (PEPP), but adjusted the net purchase envelope to be considered a ceiling rather than a target. In China, the PBoC kept its benchmark interest rates unchanged for the fourth consecutive month, amid signs of an economic recovery.

In South Africa, investors welcomed the further opening of the economy as the country moved to Level 2 of the national lockdown. Latest data showed positive signs of economic activity as annual inflation increased 3.2% in July, back to within the SARB's target range of 3-6%. In less positive news, Eskom reintroduced nation-wide load shedding, while mining production contracted for the fourth consecutive month. In August, the FTSE/JSE ALSI returned -0.3%, the FTSE/JSE All Bond Index delivered 0.9%, inflation-linked bonds (the Composite ILB Index) posted 3.9%, and cash as measured by the STeFI Composite Index returned 0.4%. Looking at global market returns (all in US\$), the MSCI All Country World Index delivered 6.2%, the Bloomberg Barclays Global Aggregate Bond Index returned -0.2%, while the EPRA/NAREIT Global Property REIT Index posted 1.6%. The rand strengthened 0.5% against the US dollar, but weakened 1.5% against the pound sterling and 0.7% versus the euro.

Contributing the most to absolute performance for the month was the fund's exposure to SA bonds (excluding inflation-linked bonds) and SA inflation-linked bonds.

GLOSSARY

1-year income return	The portion of the return of the Fund that is attributed to income generated over the last 12 months, assuming the investor reinvests all distributions and incurs no transaction fees or taxes.
12-month yield	A measure of the Fund's income distributions as a percentage of the Fund's net asset value (NAV). This is calculated by summing the income distributions over a rolling 12-month period, then dividing by the sum of the NAV at the end of the period and any capital gains distributed over the same period.
Annualised performance	The average amount of money (total return) earned by an investment each year over a given time period. For periods longer than one year, total returns are expressed as compounded average returns on a yearly basis.
Cumulative performance graph	This illustrates how an initial investment of R100 or N\$100 (for example) placed into the Fund would change over time, taking ongoing fees into account, with all distributions reinvested.
Income distribution	The dividend income and/or interest income that is generated by the underlying Fund investments and that is periodically declared and distributed to investors in the Fund after all annual service fees.
Information ratio	Measures the Fund's active return (Fund return in excess of the benchmark) divided by the amount of risk that the manager takes relative to the benchmark. The higher the information ratio, the higher the active return of the Fund, given the amount of risk taken and the more consistent the manager. This is calculated over a 3-year period.
Intended maximum limits	This indicates the Fund's intended maximum exposure to an asset class. These limits may be reviewed subject to the Fund's Supplemental Deed and/or Regulation 28 for those Funds managed in accordance with Regulation 28 of the Pension Funds Act.
Maximum drawdown	The largest drop in the Fund's cumulative total return from peak to trough over any period.
Monthly volatility (annualised)	Also known as standard deviation. This measures the amount of variation or difference in the monthly returns on an investment. The larger the annualised monthly volatility, the more the monthly returns are likely to vary from the average monthly return (i.e. the more volatile the investment).
Percentage of positive rolling 12 months	The percentage of months, since inception, that the Fund has shown a positive return over a rolling 12-month period.
Regulation 28	The South African retirement fund industry is governed by the Pension Funds Act, No 24 of 1956. Regulation 28 of the Pension Funds Act prescribes the maximum limits in asset classes that an approved retirement fund may invest in.
Sharpe ratio	The Sharpe ratio is used to measure how well the return of an asset compensates the investor for the risk taken. The higher the Sharpe ratio the better the Fund's historical risk-adjusted performance has been. This is calculated by taking the difference between the Fund's annualised return and the risk-free (cash) rate, divided by the standard deviation of the Fund's returns. This is calculated over a 3-year period.
Sortino ratio	This is calculated by taking the difference between the Fund's annualised return and the risk-free (cash) rate, divided by the downside deviation of the Fund's returns i.e. the "bad" volatility. A high Sortino ratio indicates a low risk of large losses occurring in the Fund. This is calculated over a 3-year period.
Total Expense Ratio (TER)	This shows the charges, levies and fees relating to the management of the portfolio and is expressed as a percentage of the average net asset value of the portfolio, calculated for the year to the end of the most recent completed quarter. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs.
Unit class	Prudential's Funds are offered in different unit classes to allow different types of investors (individuals and institutions) to invest in the same fund. Different investment minimums and fees apply to different unit classes. A Class: for individuals only. B & D Class: retirement funds and other large institutional investors only. X Class: the special fee class that was made available to investors that were invested in the Dividend Income Feeder Fund. T Class: for investors in tax-free unit trusts. F Class: for Discretionary Fund Managers.

An electronic copy of this document is available at www.prudential.co.za

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