

MEMBER FACTSHEET

PRUDENTIAL

INDEX-LINKED PASSIVE FUND

PRUDENTIAL

QUARTER ENDING 31/03/07



FUND DESCRIPTION

The Fund invests in British Government index-linked bonds (index-linked gilts) with over five years to go until they mature. The Fund is passively managed tracking movements in its benchmark FTSE British Government Over 5 Years Index-Linked All Stocks Index. Tracking this index is achieved by holding all of the small number of stocks involved in the same proportions as in the Index.



KEY FACTS

Investment Style	Passive
Launch Date	04/02/98
Fund Size	£149m
Portfolio Manager	Michael Lack
No. Holdings	10

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PERFORMANCE

12 MONTHS TO END MARCH

FUND	2007	2006	2005	2004	2003
Series 3 Fund Performance	2.7	9.1	5.8	6.8	11.1
Benchmark FTSE British Government > 5 Years Index-Linked All Stocks Index	2.7	9.0	5.7	6.7	10.9

Percentage change in unit offer price. Source: Prudential.
It is important to remember that past performance is not a guide to the future. The value of units can go down as well as up, and you may not get back your original investment.



HOLDINGS

	%		%
UK (Gov of) 2.5% 26/7/16	17.7	UK (Gov of) 4.125% 22/7/30	10.4
UK (Gov of) 2.5% 16/4/20	15.0	UK (Gov of) 1.25% 22/11/17	6.2
UK (Gov of) 2.5% 16/8/13	15.0	UK (Gov of) 1.25% 22/11/55	4.9
UK (Gov of) 2.5% 17/7/24	13.9	UK (Gov of) 1.25% 22/11/27	4.5
UK (Gov of) 2% 26/1/35	11.5	UK (Gov of) 1.125% 22/11/37	0.9



FUND COMMENTS

Market Background

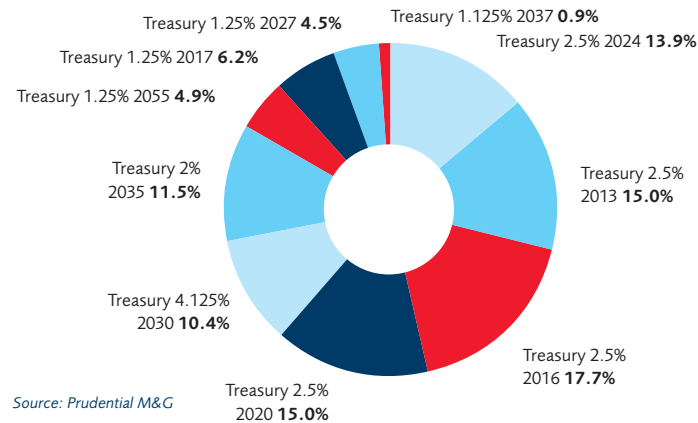
- UK index-linked government bonds fell over the quarter. The UK economy remains relatively robust, supported by strong economic data including healthy high street sales and further house price increases.
- Energy prices fell over the quarter, helping to reduce inflationary pressures both within the UK and globally. Nevertheless, the Bank of England remains wary about the level of inflation, which remains above target in the UK.
- Recent rises in consumer prices have reinforced market speculation that inflation will remain above its target for longer than expected, strengthening the case for the Bank of England to raise interest rates further.

Fund Strategy

- The Fund tracks movements in the FTSE British Government Over 5 Years Index-Linked All Stocks Index. The Index fell by 0.8% over the quarter.



FUND BREAKDOWN



WHY INVEST IN THIS FUND?

PRUDENTIAL RISK RATING:	MINIMAL	LOWER	LOWER TO MEDIUM	MEDIUM	MEDIUM TO HIGHER	HIGHER
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This Fund may be suitable if you want to take a more cautious approach to investment seeking a higher degree of protection against the effects of inflation and taking a lower level of risk while accepting a lower level of growth over the longer term. The Fund tracks UK government index-linked bonds (often known as index-linked gilts).

MEMBER FACTSHEET

PRUDENTIAL

RETIREMENT PROTECTION FUND

PRUDENTIAL

QUARTER ENDING 31/03/07

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FUND DESCRIPTION

The Fund invests in British Government bonds (gilts) with over 15 years to go until their maturity. The Fund is passively managed tracking movements in its benchmark FTSE British Government Over 15 Years Gilt Index. Tracking this index is achieved by holding the all of the small number of stocks involved in the same proportions as in the Index.

KEY FACTS

Investment Style	Passive
Launch Date	05/04/94
Fund Size	£538m
Portfolio Manager	Michael Lack
No. Holdings	8

PERFORMANCE

12 MONTHS TO END MARCH

FUND	2007	2006	2005	2004	2003
Series 1 Fund Performance	-1.8	9.8	4.7	2.0	12.2
Series 3 Fund Performance	-1.0	10.7	5.5	2.9	13.2
Benchmark FTSE British Government >15 Years Gilt Index	-1.1	10.7	5.4	2.8	13.1

Percentage change in unit offer price. Series 1 fund returns net of fees.

It is important to remember that past performance is not a guide to the future. The value of units can go down as well as up, and you may not get back your original investment.

Source: Prudential.

HOLDINGS

	%		%
UK (Gov of) 4.25% 2032 . . .	14.8	UK (Gov of) 4.25% 2055 . . .	10.4
UK (Gov of) 5% 2025	14.7	UK (Gov of) 4.25% 2046 . . .	10.3
UK (Gov of) 4.75% 2038 . . .	14.0	UK (Gov of) 4.25% 2027 . . .	9.5
UK (Gov of) 4.25% 2036 . . .	13.3		
UK (Gov of) 6% 2028	13.0		

FUND COMMENTS

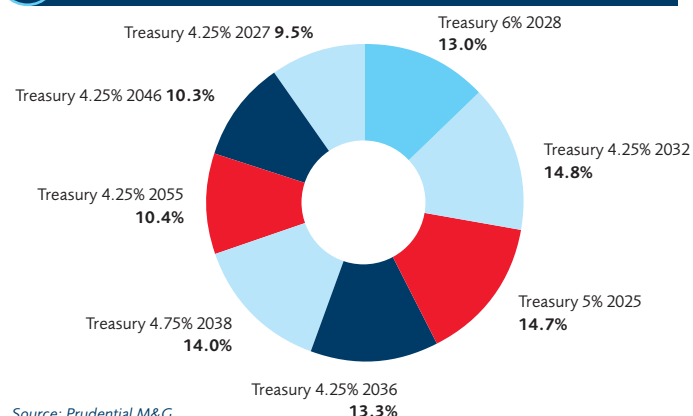
Market Background

- UK government bonds with longer to go until they mature fell over the quarter. The Bank of England's unexpected decision in January to raise interest rates by a quarter of a percentage point to 5.25% - the highest level for five years - caused the market to slip back.
- In contrast, data that showed the economy to be weaker than expected during the middle of the quarter helped prices to rise again.
- However, recent concerns over the level of inflation have led investors to believe that the Bank of England will raise interest rates further in the near-term. The market is now expecting a rate rise in the second quarter and a further rise by the end of 2007. Hence, UK government bond prices have fallen once more, erasing any gains made over the period.

Fund Strategy

- The Long-Term Gilt Fund tracks movements in the FTSE A British Government Over 15 Years Gilt Index. The index fell by 2.3% over the quarter.

FUND BREAKDOWN



Source: Prudential M&G

WHY INVEST IN THIS FUND?

PRUDENTIAL RISK RATING:

MINIMAL

LOWER

LOWER TO MEDIUM

MEDIUM

MEDIUM TO HIGHER

HIGHER

This Fund may be suitable if you want to take a more cautious approach to investment and/or help maintain the level of pension which can be bought by your savings at retirement taking a lower level of risk while accepting a lower level of growth over the longer term. The Fund tracks UK government bonds (gilts) with longer to go until maturity.

MEMBER FACTSHEET

PRUDENTIAL

WITH-PROFITS FUND

PRUDENTIAL

QUARTER ENDING 31/12/06

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FUND DESCRIPTION

The Fund offers the prospect of competitive long-term real returns whilst smoothing the peaks and troughs of day-to-day market movements. Investment returns are passed to policyholders through bonuses. The Fund is invested in a diversified portfolio of UK and overseas shares, bonds, property and cash. A significant proportion of the Fund is invested in shares and property which can be expected to produce attractive long-term returns, but the return on these assets can be volatile and so the Fund is actively managed to optimise the returns while controlling risk.



KEY FACTS

Investment Style	Prudent Active
Solvency Rating*	AA+
Fund Size (31.12.05)	£68bn
Portfolio Manager	Martin Brookes

* Standard & Poor's



PERFORMANCE

BONUS SERIES	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*
Unitised ^L With-Profits Returns	7.50%	9.00%	6.20%	7.60%
Unitised ^N With-Profits Returns	7.50%	8.95%	6.05%	N/A
Cash Accumulation MPP With-Profits Returns	7.50%	9.00%	6.20%	7.60%
Cash Accumulation AVC With-Profits Returns	7.50%	8.90%	6.05%	7.30%

It is important to remember that past performance is not a guide to the future. The value of your investment can go down as well as up, and you may get back less than you originally put in. Please bear in mind that inflation could also reduce the value of your Plan and any growth from it.

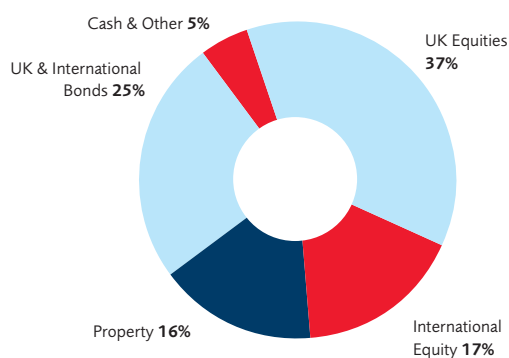
For Prudential's With-Profits Fund, the rate of growth over a period will, in general, depend on when the contribution was paid. In the table above, it is assumed that the contribution was invested after any explicit charges on 31st December 1, 3, 5 or 10 years ago and realised on or after 6th April 2006 to secure benefits at normal retirement date. The above cash accumulation rates assume a scheme revision date between the 1st October and 5th April.

The table on page 2 provides an outline of which bonus series returns relate to which contract.

Source: Prudential
* Annualised



FUND BREAKDOWN (at 30/06/06)



Source: Prudential



FUND COMMENTS

Performance Review

- The Fund's underlying investments performed strongly during 2005. Share and property markets saw large gains and decisions on the amounts invested in each market made an important contribution to returns.
- The move into shares continued during 2005, mostly coming from bonds although property holdings were also cut slightly. Holdings in Asian shares were trimmed after strong gains whilst adding to UK and European shares and later in the year North American shares.
- The fixed interest portion of the Fund continues to hold corporate bonds and private debt from major UK and overseas institutions and companies. The proportion in structured finance was increased to help returns while maintaining the risk profile of this part of the Fund.
- There were some sales of domestic properties, while the holdings of overseas commercial property were maintained. Property is likely to see more modest returns than in 2004 and 2005 but remains important for diversifying the Fund's investments.



WHY INVEST IN THIS FUND?

PRUDENTIAL RISK RATING:	MINIMAL	LOWER	LOWER TO MEDIUM	MEDIUM	MEDIUM TO HIGHER	HIGHER
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Prudential believes there is a Lower to Medium risk of variations in the value of this Fund's underlying assets over the shorter term (see page 2).

This Fund may be suitable for those investors that consider it important to maintain a broad spread of investments across their pension fund portfolio while smoothing the peaks and troughs of day-to-day market movements. This is provided through the bonus system and the Fund's diverse investments in both UK and overseas shares and bonds, commercial property and cash.

MEMBER FACTSHEET

PRUDENTIAL

CASH FUND

PRUDENTIAL

QUARTER ENDING 31/03/07

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FUND DESCRIPTION

The Fund invests in both high quality Floating Rate Notes (FRNs) and short-term deposits. The Fund is actively managed with the aim of beating its benchmark of the London Interbank 7 Day Deposit Rate. The financial instruments held in the Fund are issued by well known banks and leading financial institutions.

KEY FACTS

Investment Style	Prudent Active
Launch Date	28/04/82
Fund Size	£203m
Portfolio Manager	Claire Bews
No. Holdings	74

PERFORMANCE

12 MONTHS TO END MARCH					
FUND	2007	2006	2005	2004	2003
Series 1 Fund Performance	3.9	4.4	4.3	3.7	3.6
Series 3 Fund Performance	4.7	5.2	5.1	4.5	4.5
Benchmark LIBID 7 Day Deposit Rate	5.0	4.7	4.7	3.7	3.9

Percentage change in unit offer price. Series 1 fund returns net of fees.

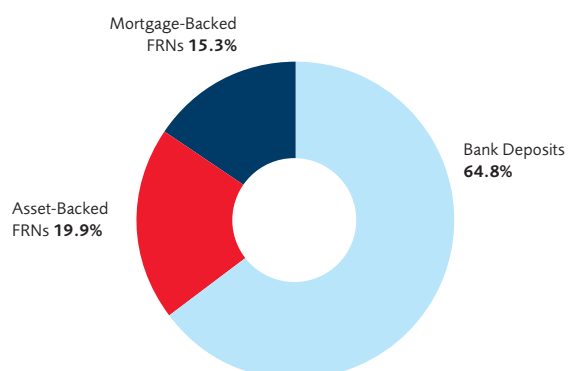
It is important to remember that past performance is not a guide to the future. The value of units can go down as well as up, and you may not get back your original investment.

Source: Prudential.

TOP 10 CASH INSTRUMENTS

	%		%
Nationwide Building Society FRN 2010. 1.1		Leek Finance No.17 FRN 2037	1.0
Cwealth Bank of Australia FRN 2010. 1.0		Dunfermline Building Society FRN 2009. 1.0	
Citigroup FRN 2009.	1.0	Mansard Mortgages FRN 2048.	0.9
Santander FRN 2011	1.0	Metro Life FRN 2011	0.9
Permanent Finance No.9 FRN 2042 . 1.0		Halifax FRN 2012.	0.9

FUND BREAKDOWN



Source: Prudential M&G

FUND COMMENTS

Market Background

- The Bank of England unexpectedly raised interest rates by a quarter of a percentage point to 5.25% in January. This is the highest level for five years.
- The UK economy remains relatively robust, supported by healthy high street sales and further house price increases. Recent rises in inflationary pressures have reinforced market speculation that the Bank of England will raise interest rates further in the near term.

Fund Strategy

- The Fund continued to have larger than average holdings in mortgage and asset-backed floating rate notes. These typically offer higher yields than standard floating rate notes and helped performance over the quarter.
- At the start of the quarter, the Fund invested part of its assets in deposits which had a term of one year. These were attractively priced since the market was discounting two or three more interest rate rises by year end, following the rate increase in January, which seems more than the economic outlook would support.

WHY INVEST IN THIS FUND?

PRUDENTIAL RISK RATING:	MINIMAL	LOWER	LOWER TO MEDIUM	MEDIUM	MEDIUM TO HIGHER	HIGHER
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This Fund may be suitable if you want to take a minimal level of risk either on the part of your fund you can take as a lump sum at retirement or as a short-term measure while you are re-arranging your savings and are prepared to accept a modest level of growth over the longer term. The Fund invests in a variety of short-term bank deposits and other financial instruments giving a higher level of capital security than shares or bonds.

MEMBER FACTSHEET

BARCLAYS GLOBAL INVESTORS AQUILA

UK EQUITY INDEX FUND

BARCLAYS GLOBAL INVESTORS

QUARTER ENDING 31/03/07

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FUND DESCRIPTION

This Fund is passively managed and invests in the shares of UK companies aiming to achieve a return that is consistent with the return of the Index. The benchmark is the FTSE All-Share Index. Tracking is achieved by full replication of the Index.

KEY FACTS

Investment Style	Passive
Launch Date	01/09/94
Fund Size	£18,293m
Portfolio Manager	Team Approach
No. Holdings	710

PERFORMANCE

12 MONTHS TO END MARCH					
FUND	2007	2006	2005	2004	2003
Series 3 Fund Performance	11.2	29.5	14.3	32.3	-30.7
Benchmark FTSE All-Share Index	11.1	28.0	15.6	31.0	-29.8

Percentage change in unit offer price.

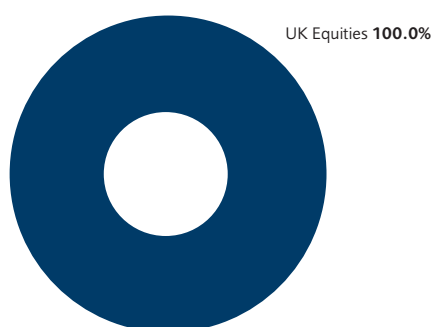
It is important to remember that past performance is not a guide to the future. The value of units can go down as well as up, and you may not get back your original investment.

Source: Prudential.

TOP 10 HOLDINGS

	%		%
BP	5.7	Royal Bank of Scotland	3.3
HSBC Holdings	5.5	Royal Dutch Shell B	2.5
GlaxoSmithKline	4.3	Barclays	2.5
Vodafone Group	3.8	AstraZeneca	2.5
Royal Dutch Shell A	3.3	Anglo American	2.1

FUND BREAKDOWN



Source: BGI Aquila

WHY INVEST IN THIS FUND?

PRUDENTIAL RISK RATING:	MINIMAL	LOWER	LOWER TO MEDIUM	MEDIUM	MEDIUM TO HIGHER	HIGHER
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Prudential believes there is a Higher risk of the value of this Fund going down as well as up over the shorter term.

This Fund offers you access to a range of UK shares. It may be suitable if you are some way from retirement and are prepared to accept a higher level of risk in expectation of higher long-term growth. For those seeking less volatility, a combination of this fund with a bond fund may be more appropriate.

MEMBER FACTSHEET

BARCLAYS GLOBAL INVESTORS AQUILA

(50/50) GLOBAL EQUITY INDEX FUND

BARCLAYS GLOBAL INVESTORS

QUARTER ENDING 31/03/07

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FUND DESCRIPTION

The Fund invests in both the UK and overseas shares. The Fund has approximately 50% invested in the shares of UK companies and the remaining 50% invested in the shares of overseas companies, split between the US, Europe ex-UK, Japan and Pacific Rim. The Fund aims to provide returns consistent with the markets in which it invests.

KEY FACTS

Investment Style	Passive
Launch Date	31/07/02
Fund Size	£2,150m
Portfolio Manager	Team Approach
Underlying Funds	5

PERFORMANCE

12 MONTHS TO END MARCH

FUND	2007	2006	2005	2004	2003
Series 3 Fund Performance	8.4	N/A	N/A	N/A	N/A
Benchmark 50% FTSE All-Share Index: 50% Overseas Equities	8.0	N/A	N/A	N/A	N/A

Percentage change in unit offer price.

It is important to remember that past performance is not a guide to the future. The value of units can go down as well as up, and you may not get back your original investment.

Source: Prudential.

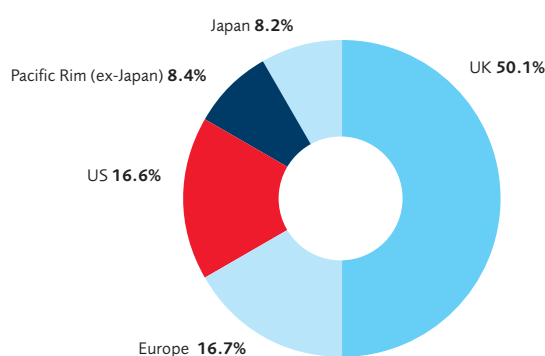
LARGEST HOLDINGS

	%
BGI AQ Life UK Eq Index SC1	49.4
BGI AQ Life US Eq Index SC1	17.0
BGI AQ Life Euro Eq Index SC1	16.8
BGI AQ Life PacRim Eq Index SC1	8.4
BGI AQ Life M Jap Eq Index SC1	8.4

FUND COMMENTS

- The global economic background was mixed over the quarter. The US economy grew more slowly than expected, dragged down by a weak construction sector and concerns about the housing market.
- Meanwhile, in Continental Europe, the economy is now expanding at, or near, its long-term rate whilst the UK economy is growing faster than many would have expected some months ago.
- However, the Japanese economy is showing some signs of weakness, both in its export and domestic sectors.
- This is in contrast to other Asian economies, such as China, where economic activity appears to be buoyant and is reflected in the renewed strength of commodity prices.

FUND BREAKDOWN



Source: BGI Aquila

WHY INVEST IN THIS FUND?

PRUDENTIAL RISK RATING:	MINIMAL	LOWER	LOWER TO MEDIUM	MEDIUM	MEDIUM TO HIGHER	HIGHER
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Prudential believes there is a Medium to Higher risk of the value of this Fund going down as well as up over the shorter term.

The Fund invests in shares of companies in the world's major stockmarkets. It may be suitable for those members who are some way from retirement and are prepared to accept a higher level of risk in expectation of higher long-term growth.

MEMBER FACTSHEET

BARCLAYS GLOBAL INVESTORS AQUILA

WORLD EX-UK INDEX FUND

BARCLAYS GLOBAL INVESTORS

QUARTER ENDING 31/03/07

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FUND DESCRIPTION

The Fund invests in shares of overseas companies in proportion to the market capitalisation of each market in the FTSE All-World Developed ex-UK Index. Within each of those markets, the Fund aims to generate returns consistent with those of each country's primary share market.



KEY FACTS

Investment Style	Passive
Launch Date	30/09/99
Fund Size	£1,161m
Portfolio Manager	Team Approach
Underlying Funds	5



PERFORMANCE

12 MONTHS TO END MARCH

FUND	2007	2006	2005	2004	2003
Series 3 Fund Performance	2.2	N/A	N/A	N/A	N/A
Benchmark FTSE All-World (Developed) ex-UK Index	1.7	N/A	N/A	N/A	N/A

Percentage change in unit offer price.

It is important to remember that past performance is not a guide to the future. The value of units can go down as well as up, and you may not get back your original investment.

Source: Prudential.



LARGEST HOLDINGS

	%
BGI AQ Life US Eq Index SC1	55.3
BGI AQ Life Euro Eq Index SC1	24.7
BGI AQ Life M Jap Eq Index SC1	11.5
BGI AQ Life PacRim Eq Index SC1	5.1
BGI AQ Life Can Eq Index SC1	3.4

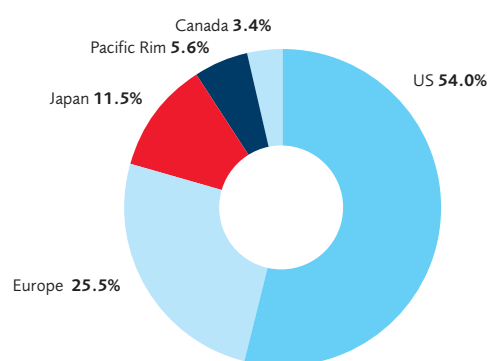


FUND COMMENTS

- The global economic background was mixed over the quarter. The US economy grew more slowly than expected, dragged down by a weak construction sector and concerns about the housing market.
- Meanwhile, in Continental Europe, the economy is now expanding at, or near, its long-term rate whilst the UK economy is growing faster than many would have expected some months ago.
- However, the Japanese economy is showing some signs of weakness, both in its export and domestic sectors.
- This is in contrast to other Asian economies, such as China, where economic activity appears to be buoyant and is reflected in the renewed strength of commodity prices.



FUND BREAKDOWN



Source: BGI Aquila



WHY INVEST IN THIS FUND?

PRUDENTIAL RISK RATING:	MINIMAL	LOWER	LOWER TO MEDIUM	MEDIUM	MEDIUM TO HIGHER	HIGHER
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Prudential believes there is a Medium to Higher risk of the value of this Fund going down as well as up over the shorter term.

This Fund may be suitable for those investors that seek access to a portfolio of international shares, (excluding the UK), so as to benefit from the growth potential from other parts of the world. It may be suitable if you are some way from retirement and are prepared to accept a higher level of risk in expectation of higher long-term growth.

MEMBER FACTSHEET

BARCLAYS GLOBAL INVESTORS AQUILA

WORLD EX-UK INDEX FUND

BARCLAYS GLOBAL INVESTORS

QUARTER ENDING 31/03/07

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Regulatory Information

Who is this factsheet for and what does it do?

- This factsheet is intended for members of occupational pension schemes using Prudential group pension contracts and members of Prudential Grouped Personal Pension and Stakeholder Pension contracts.
- This factsheet reports to members upon the investment management of the Fund during the quarter.

Can I get advice?

- This factsheet is provided for information purposes only. Any change to your investment arrangements should be discussed with your adviser.
- The commentary in this factsheet reflects the general views of the individual fund manager and should not be taken as a recommendation or advice as to how a specific market or fund is likely to perform.

How are the performance figures calculated?

- Performance is measured on an offer price to offer price basis.
- For the purposes of comparison with the benchmark we have used unit prices with the closest valuation point to that of the benchmark, taking into consideration the relevant dealing cycle.
- To obtain current unit price and performance information for all funds in the Prudential Fund range, simply log on to www.pru.co.uk/fundprices and choose 'Pension Funds' and then select Group Pensions (Series 3).

Are all the Funds available to me?

- Not all of the funds are available for every DC product.
- If you are in any doubt as to which funds you are invested in, please contact your pensions department or your usual Prudential contact or refer to the "Key Features Appendix" for your scheme.

How are Fund prices calculated?

- The Series 3 Funds operate on a single swinging price basis. Although we create both a bid and offer price, the pricing basis on which units in the Fund are transacted is dependent upon the cash flow into/out of the Fund on any day. This is also the price that is published.
- Changes in the rate of exchange between currencies may cause the value of the Fund to go down or up.

What is the dealing cycle?

- The Pensions Series 3 fund range is forward priced which means that the unit price is set after money is invested.
- Funds managed by BGI have a dealing cycle of T+2. This means that money received on day T buys units in the parent fund at the valuation date price applicable at close of business 2 days later.

What is the risk rating?

- The risk rating reflects the expected short term volatility in the Fund's value.
- The risk ratings have been developed by Prudential for these funds. They should not be viewed as generic descriptions across the fund management industry. The ratings are reviewed periodically and may change in the future.
- There are a variety of investment risks facing you during your pension scheme membership including inflation, changing annuity costs and volatility in fund values. The importance of each type of risk will vary from person to person and from time to time.
- You should discuss the investment risks facing you and the appropriateness of this risk rating with your adviser.

Who manages the Funds?

- All the Series 3 Funds are Prudential Funds.
- This Prudential fund holds units in a Barclays Global Investors "Aquila" fund. BGI is a subsidiary of Barclays Bank plc.

Which Prudential companies are involved and how are they regulated?

- Issued by Prudential plc.
- "Prudential" is a trading name of The Prudential Assurance Company Limited (which is also used by other companies within the Prudential group of companies). The Prudential Assurance Company Limited is registered in England and Wales. Registered Office at Laurence Pountney Hill, London, EC4R 0HH. Registered number 15454.
- Authorised and regulated by the Financial Services Authority.
- If this Fund invests in property and land. This can be difficult to sell – so you may not be able to sell/cash in this investment when you want to. We may have to delay acting on your instructions to sell your investment. You should look upon your investment in property as being long term. There are large costs, mainly Stamp Duty Land Tax, which we incur when buying and selling property. The allowance for these costs amongst other factors can lead to short-term falls in the price of units in the Property Fund. The value of property is generally a matter of a Valuer's opinion rather than fact. Under certain circumstances, in the interest of other investors, we reserve the right to defer any early encashment or switch between funds. This may be for a period of up to 6 months in the case of units held in the Property Fund.
- Exchange Rate Risk - exchange rate fluctuations may cause the Sterling values of overseas investments to rise or fall.

THE PRUDENTIAL PENSION SERIES 3 FUNDS

The "Series 3" Funds are used by the Prudential's **group additional voluntary contribution contracts, stakeholder and newer group personal pension, money purchase and bulk section 32 contracts** (typically set up since April 2001) together with earlier contracts which have been either migrated to new contracts or enhanced to use the Series 3 Funds. Charges are collected by the cancellation of units after the unit prices are set and hence after performance figures shown here are calculated.

PRUDENTIAL

BTBS10058/05/07