

Bulletin

for Combined Nuclear Pension Plan

A quarterly update on your pension fund investments

M&G funds:

- › Index-Linked Passive
- › Cash
- › Retirement Protection

BlackRock Aquila funds:

- › 50:50 Global Equity Index
- › UK Equity Index
- › World (ex-UK) Index

Prudential funds:

- › With-Profits

Quarter 1 2010



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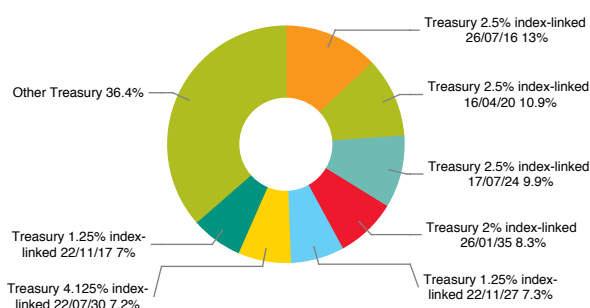
Prudential Index-Linked Passive fund (series 3)



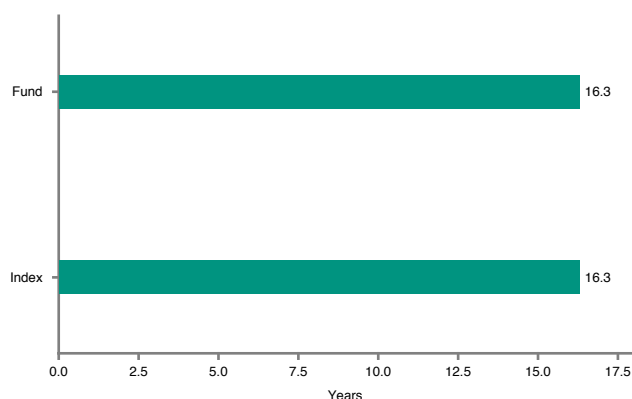
Fund description

The fund invests in British Government index-linked gilts with over five years to go until maturity. The fund is passively managed tracking movements in its benchmark, the FTSE A British Government Over 5 Years Index-Linked Index. Tracking this index is achieved by fully replicating the small number of stocks in the index.

Fund breakdown



Duration



Source: M&G
All figures are as at 31 March 2010, unless otherwise stated.

Performance

Past performance of the fund over each of the last 5 years to the end of March

	31/03/09 – 31/03/10	31/03/08 – 31/03/09	31/03/07 – 31/03/08	31/03/06 – 31/03/07	31/03/05 – 31/03/06
Index-Linked Passive fund	9.7	-2.1	13.7	2.7	9.1
Benchmark	10.4	-2.8	13.5	2.7	9.0

Source: Prudential and Financial Express. * annualised

Based on percentage change in unit price. It is important to remember that past performance is not a reliable indicator of future performance. The value of your investment may go down as well as up and the fund value at retirement may be less than the payments you have made.

Key facts

Underlying fund size	£296m
Number of holdings	15
Underlying fund launch date	04/02/1998
Portfolio Manager	David Lloyd
Benchmark	FTSE A British Government Over 5 Years Index-Linked Index
Investment Style	Passive
Sedol code	3282441
Performance Objective	To match the performance of the benchmark as closely as possible

Commentary

The performance of index-linked gilts continued to outpace that of conventional gilts, with medium dated index-linked gilts (those maturing between 5 and 15 years) generating the best returns. Investors' demand for inflation protection reflect their worries about the likelihood of higher price increases in the future, caused by the massive injection of liquidity into the UK economy as part of the government's stimulus efforts.

Nevertheless, in an environment of anaemic economic growth, inflation has remained relatively benign. CPI annual inflation was 3.4% in March, up from 3.0% in February. The Retail Prices Index (RPI), which includes housing costs, was 4.4% in March, rising from 3.7% in February. Part of the rise in the inflation measures came from a hike in the value added tax, which was restored to 17.5% at the start of the year, and increasing petrol prices.

The funds good performance this quarter was due to a pricing issue that arose during the quarter as a result of a change in the appointed unit pricing agent used on the fund. This resulted in a systematic underpricing of the units and consequently a shortfall in the measured return over the period. This pricing issue has since been resolved.

Past performance of the fund to 31 March 2010

	Quarter	1 Year*	3 Years*	5 Years*
Index-Linked Passive fund	1.7	9.7	6.9	6.5
Benchmark	2.0	10.4	6.8	6.4

Prudential Cash fund (series 3)

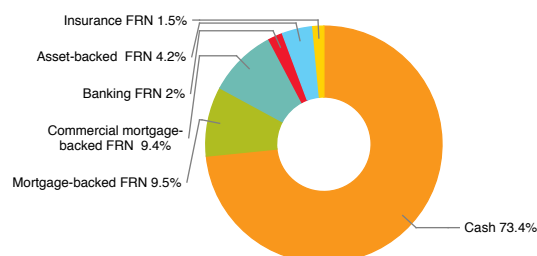


Fund description

The fund invests in both high quality Floating Rate Notes (FRNs) and shortterm 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. The fund invests in: insurance, banking, asset backed, commercial mortgage and mortgage FRNs.

Please note that from the 28th May 2010 the fund will be managed with the aim of providing a return consistent with investing in interest bearing deposits and/or short-term UK Government bonds.

Fund breakdown



Top 10 cash instruments

	%
1 Chester A/Rec 06-1 FRN 15/05/13	1.1
2 Permanent Finance No.9 FRN 10/08/42	1.1
3 Bank of America FR MTN 11/06/12	1.1
4 Metro Life FRN MTN 24/02/11	1.0
5 Arran Residential FRN 20/09/56	1.0
6 Epic (Barchester) FRN 30/09/31	1.0
7 Gracechurch FRN 15/10/12	1.0
8 Gracechurch FRN 20/11/56	0.9
9 Standard Chartered FRN 28/03/18	0.9
10 Deco 15 Pan Euro FRN 27/04/18	0.8

Source: M&G
All figures are as at 31 March 2010, unless otherwise stated.

Performance

Past performance of the fund over each of the last 5 years to the end of March

	31/03/09 – 31/03/10	31/03/08 – 31/03/09	31/03/07 – 31/03/08	31/03/06 – 31/03/07	31/03/05 – 31/03/06
Cash fund	6.1	-1.0	5.6	4.7	5.2
Benchmark	0.4	3.7	5.8	5.0	4.7

Source: Prudential and Financial Express. * annualised

Based on percentage change in unit price. It is important to remember that past performance is not a reliable indicator of future performance. The value of your investment may go down as well as up and the fund value at retirement may be less than the payments you have made.

Key facts

Underlying fund size	£178m
Number of holdings	53
Underlying fund launch date	28/04/1982
Portfolio Manager	Claire Bews
Benchmark	London Interbank 7 Day Deposit Rate
Investment Style	Active
Sedol code	3168110
Performance Objective	To outperform the benchmark

Commentary

The fund's good performance in the first quarter of 2010 was due to its holdings in Floating Rate Notes (FRNs). Against a backdrop of calmer financial markets and a gentle improvement in economic data, the prices of FRNs across all sectors – banking, residential, mortgage-backed and commercial mortgage-backed – rose during the review period.

As from 28th May 2010, the fund will sit in the Deposit & Treasury investment fund sector, which was introduced by the ABI in November last year. This means that the fund's investment strategy will change, and from 28th May 2010 it will invest in interest bearing deposits and/or short-term UK government bonds rather than interest bearing deposits and FRNs, as is currently the case. The fund will continue to be actively managed with the aim of beating its benchmark, the London Interbank 7 Day Deposit Rate. To ensure the fund meets its new investment objective, the fund manager reduced its exposure to FRNs during the quarter. These sales were made in an orderly fashion in such a way as to maximise the fund's return. As at the end of the first quarter, broadly 30% of the fund's assets were invested in FRNs and the remaining 70% in cash deposits.

Past performance of the fund to 31 March 2010

	Quarter	1 Year*	3 Years*	5 Years*
Cash fund	1.6	6.1	3.5	4.1
Benchmark	0.1	0.4	3.3	3.9

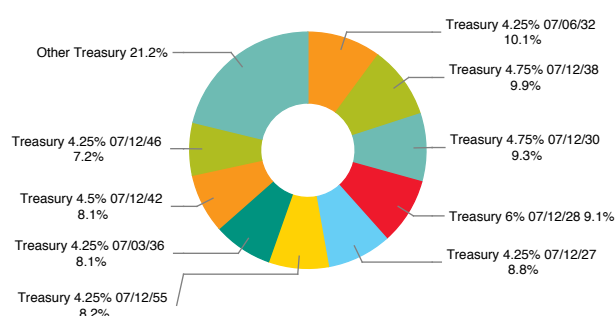
Prudential Retirement Protection fund (series 3)



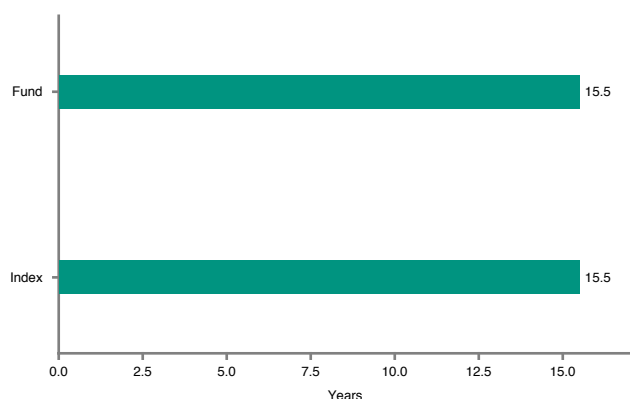
Fund description

The fund invests in British Government Gilts with over 15 years to maturity. The fund is passively managed tracking movements in its benchmark, the FTSE A British Government Over 15 Years Gilt Index. Tracking of this index is achieved by fully replicating the small number of stocks in the Index.

Fund breakdown



Duration



Source: M&G
All figures are as at 31 March 2010, unless otherwise stated.

Performance

Past performance of the fund over each of the last 5 years to the end of March

	31/03/09 – 31/03/10	31/03/08 – 31/03/09	31/03/07 – 31/03/08	31/03/06 – 31/03/07	31/03/05 – 31/03/06
Retirement Protection fund	-0.4	8.9	5.2	-1.0	10.7
Benchmark	-0.2	8.6	5.1	-1.1	10.7

Source: Prudential and Financial Express. * annualised

Based on percentage change in unit price. It is important to remember that past performance is not a reliable indicator of future performance. The value of your investment may go down as well as up and the fund value at retirement may be less than the payments you have made.

Key facts

Underlying fund size	£385m
Number of holdings	13
Underlying fund launch date	05/04/1994
Portfolio Manager	David Lloyd
Benchmark	FTSE A British Government Over 15 Years Gilt Index
Investment Style	Passive
Sedol code	3169425
Performance Objective	To match the performance of the benchmark as closely as possible

Commentary

Relative to risk assets, the performance of UK gilts was distinctly lacklustre during the quarter. Price swings in the market stemmed mainly from the uncertainty surrounding Greece's sovereign debt problem. Furthermore, even though the Bank of England's decision to halt its asset purchase programme in February was widely anticipated, implications of a pause still caused some nervousness in the market. The central bank, however, has left the door open for further quantitative easing if the outlook deteriorates.

News on the economic front continued to improve; the UK returned to growth in the final quarter of the year, with the economy expanding by 0.4% from the previous quarter. At the same time, the unemployment situation appeared to have stabilised with the latest statistics indicating a decline in the number of people out of work. The official interest rate was held at the record low level of 0.5% while inflation remained benign.

Past performance of the fund to 31 March 2010

	Quarter	1 Year*	3 Years*	5 Years*
Retirement Protection fund	0.2	-0.4	4.5	4.6
Benchmark	0.2	-0.2	4.4	4.5

Prudential With-Profits Fund

This document has been produced to provide factual information on Prudential's With-Profits Fund. It should not be used for financial advice. If you are unsure what bonus series you are invested in please contact your scheme Trustee or your Financial Adviser.

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Key facts

Fund size £61.6 billion as at 31 December 2009

Prudential Financial Strength rating* AA

Portfolio Manager Martin Brookes

Investment Style Prudent Active

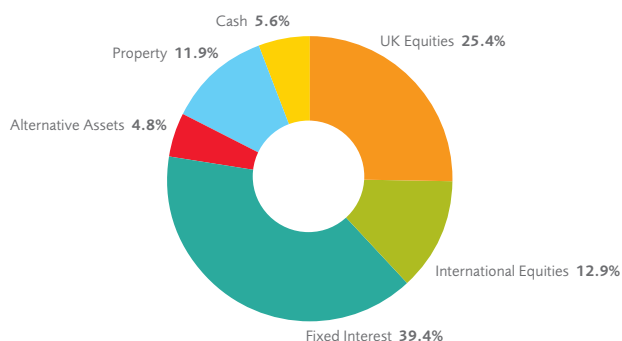
Performance Objective To offer competitive long term returns

* Standard and Poor's as at March 2010

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.

Fund breakdown



Source: Prudential as at 31 March 2010
Asset Allocations are regularly reviewed and may vary from time to time.

Prudential risk rating

Lower to Medium

What is the risk rating?

- The risk rating applies to the entire portfolio and not to the individual funds within them.
- Risk ratings have been developed by Prudential to help provide an indication of the potential level of risk and reward that is attributable to a fund based on the type of assets which may be held within 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.
- Prudential will keep the risk ratings under regular review and as such they may be subject to change in the future. We therefore recommend that before making any fund choice in the future you understand the appropriate risk rating before making a decision.
- You should also consider discussing your decision and the appropriateness of this risk rating with an adviser.

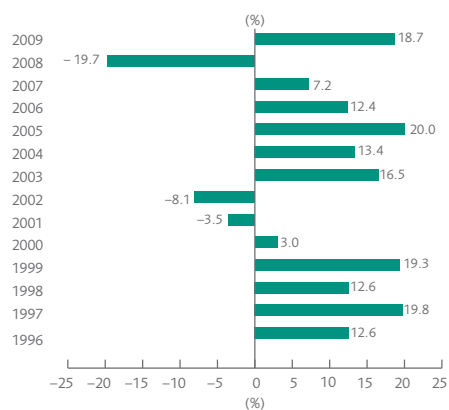
Commentary

Our investment strategy has taken a more cautious stance over the last 12 months. Market valuations on both equities and corporate bonds have increased significantly and policies implemented to stimulate the global economy will start to be withdrawn over the next year. Governments need to cut spending to address budget deficits and central banks are starting to worry about the impact of very low interest rates on inflation. As this policy stimulus is reduced, the key question is whether the private sector can generate enough demand to keep the momentum going.

We think growing consumer confidence should help sustain a modest improving trend this year in the western economies. However, a sharp cyclical recovery is unlikely because banks are still not in a position to start lending normally and household borrowing and unemployment levels remain high.

Given this note of caution and the significant rally in equities and corporate bonds we have reduced risk by partially selling equities and reinvesting in lower risk corporate bonds. We have also increased the cash exposure. In addition towards the end of Q1 we moved to reduced duration on the fixed income portfolio. This has the effect of partially protecting the fund should concerns about Greek government debt levels spread to other countries.

Underlying investment returns



Source: Prudential. The above are calendar year returns for the With-Profits fund (before charges, tax and effects of smoothing).

Prudential With-Profits Fund

Product performance (applicable from 6 April 2010)

Bonus Series	1 Year*	3 Years*	5 Years*	10 Years*
Unitised L With-Profits Returns	6.75	4.00	3.95	4.50
Unitised N With-Profits Returns	6.75	4.00	3.95	4.40
Cash Accumulation MPP With-Profits Returns	6.75	4.00	3.95	4.50
Cash Accumulation AVC With-Profits Returns	6.75	4.00	3.95	4.40

Source: Prudential. * annualised returns

The value of your policy will be sent out in your annual statement or is available on request. The value will depend on when you actually invested allowing for tax, charges and smoothing. The value could change by more or less than the underlying investment return of the overall fund. Past performance is not a reliable indicator of future performance.

For investments in the With-Profits Fund, the value of the policy depends on how much profit the Fund makes and how we decide to distribute that profit. Policyholders receive a distribution of profits by means of bonuses, or other methods as specified in the relevant policy documentation. There are two types of bonus, regular (or reversionary) and final (or terminal) bonus.

The product performance figures are declared by Prudential Assurance Company Limited, usually each February.

For the Unitised returns shown, it is assumed that the contribution was invested after any explicit charges on 6 April 1, 3, 5 or 10 years ago and realised on or after 6 April 2010 to secure benefits at normal retirement age. For the Cash Accumulation returns shown, it is assumed that 1, 3, 5 or 10 scheme revision dates ending after 15 March 2010 have passed since the contribution was invested.

The performance figures shown are overall annualised returns for contributions made on the dates specified. The returns include both regular and final bonuses added to a benefit paid at normal retirement date.

Final bonus may vary and is not guaranteed. The rate of future bonuses cannot be guaranteed. The value of an investment may go down as well as up and the fund value in the future may be less than the payments you have made. Please bear in mind that inflation will reduce what you can buy in the future.

Please read the important information below and the Key Features document for the relevant contract.

With-Profits bonus series explained

Cash Accumulation With-Profits

Cash Accumulation MPP With-Profits is used solely by the oldest "pre 101" money purchase contracts for occupational pension schemes typically established from 1974.

Cash Accumulation AVC With-Profits is used solely by Additional Voluntary Contribution contracts as part of an occupational scheme (but not where VCs are paid through another Prudential group pension contract).

Unitised With-Profits

Unitised L With-Profits is used by the "101" money purchase contracts for occupational pension schemes and grouped personal pension contracts (including the "Shout/MSA" contracts) typically established from 06/04/1987 where holdings are expressed in terms of units.

Unitised N With-Profits is used by the "Select" group personal pension (established 1997) and "Money Purchase Plan/Group Personal Pension" money purchase contracts for occupational pension schemes and group personal pension contracts established since 2001 where holdings are expressed in terms of units.

Important information

Who manages the funds?

Prudential Assurance Company Limited holds the assets of the With-Profits Fund through custodians. Prudential has delegated the investment management of the fund through agreements with various investment managers including M&G Investments.

Are all of the funds available to me?

With-Profits is not available under Stakeholder Pension contracts. Various With-Profits bonus series are used by Prudential group pension contracts.

Can I get advice?

This factsheet should not be considered as a financial promotion and any changes to investment arrangements should be discussed with an 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.

Who is this factsheet for and what does it do?

This factsheet is intended for the trustees, sponsors, advisers and members of occupational pension schemes using Prudential group pension contracts.

Other important information

If money invested in the With-Profits Fund is taken out at any time other than on death or normal retirement date, a Market Value Reduction (MVR) may be applied; this may have the effect of reducing the fund value.

For details on MVR and charges applicable to your investment, please refer to the Key Features document for the relevant contract. For a copy of the Key Features document, please contact your pensions department for scheme members or usual Prudential contact for trustees and advisers.

Prudential BlackRock Aquila (50:50) Global Equity Index fund (series 3)

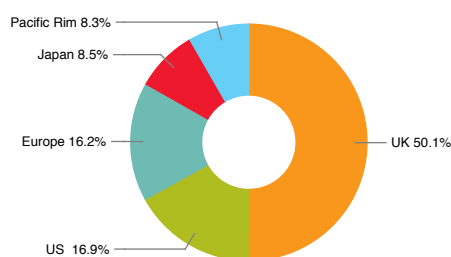
BLACKROCK

Fund description

The fund invests in both the UK and overseas equity markets. Looking to achieve low tracking error versus the index benchmark, 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.

Barclays Global Investors (BGI) has combined with BlackRock, and as a result we have changed the name of this fund from Prudential BGI Aquila to Prudential BlackRock Aquila.

Fund Breakdown



Top Holdings

%

1	BlackRock Aquila Life UK Equity Index fund	50.1
2	BlackRock Aquila Life US Equity Index fund	16.9
3	BlackRock Aquila Life European Equity Index fund	16.2
4	BlackRock Aquila Life Japanese Equity Index fund	8.5
5	BlackRock Aquila Life Pacific Rim Equity Index fund	8.3

Key facts

Underlying fund size	£5,826m
Number of holdings	5
Underlying fund launch date	31/07/2002
Portfolio Manager	Team Approach
Benchmark	Composite Benchmark
Investment Style	Passive
Sedol code	B08ZTM1
Performance Objective	To replicate the performance of its objective

Commentary

The first quarter was another strong three-month period for 'risk' assets, such as equities, commodities and corporate bonds. Evidence of economic recovery has continued, although fears of a double-dip recession never quite disappeared completely. Equity markets have continued their rally, albeit with a brief correction in January and February. There have been some exceptions to the positive sentiment as markets got agitated about sovereign credit risks in southern Europe, with Greece being the main focus of attention. These concerns damaged sentiment in that area and for the euro currency. Returns from the main bond markets have been either flat or modestly positive over the quarter, reflecting the continued absence of meaningful inflationary pressures.

Source: BlackRock
All figures are as at 31 March 2010, unless otherwise stated.

Performance

Past performance of the fund over each of the last 5 years to the end of March

	31/03/09 – 31/03/10	31/03/08 – 31/03/09	31/03/07 – 31/03/08	31/03/06 – 31/03/07	31/03/05 – 31/03/06
BlackRock Aquila (50:50) Global Equity Index fund	49.8	-24.7	-4.9	8.4	N/A
Benchmark	49.3	-24.9	-5.1	8.0	N/A

Past performance of the fund to 31 March 2010

	Quarter	1 Year*	3 Years*	5 Years*
BlackRock Aquila (50:50) Global Equity Index fund	8.0	49.8	2.4	N/A
Benchmark	8.0	49.3	2.1	N/A

Source: Prudential and Financial Express. * annualised

Based on percentage change in unit price. It is important to remember that past performance is not a reliable indicator of future performance. The value of your investment may go down as well as up and the fund value at retirement may be less than the payments you have made.

Prudential BlackRock Aquila UK Equity Index fund (series 3)

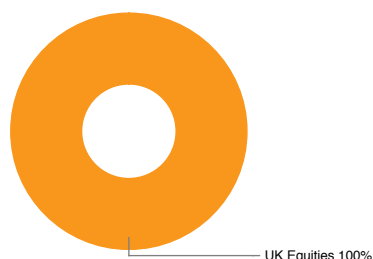
BLACKROCK

Fund description

The 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.

Barclays Global Investors (BGI) has combined with BlackRock, and as a result we have changed the name of this fund from Prudential BGI Aquila to Prudential BlackRock Aquila.

Fund Breakdown



Top Holdings

	%
1 BP	6.9
2 HSBC	6.8
3 Vodafone	4.7
4 Royal Dutch Shell 'A'	4.0
5 GlaxoSmithKline	3.9
6 Rio Tinto	3.5
7 BHP Billiton	2.9
8 Royal Dutch Shell 'B'	2.9
9 British American Tobacco	2.7
10 Barclays	2.5

Source: BlackRock
All figures are as at 31 March 2010, unless otherwise stated.

Performance

Past performance of the fund over each of the last 5 years to the end of March

	31/03/09 – 31/03/10	31/03/08 – 31/03/09	31/03/07 – 31/03/08	31/03/06 – 31/03/07	31/03/05 – 31/03/06
BlackRock Aquila UK Equity Index fund	52.6	-29.2	-7.7	11.2	28.0
Benchmark	52.3	-29.3	-7.7	11.1	28.0

Source: Prudential and Financial Express. * annualised

Based on percentage change in unit price. It is important to remember that past performance is not a reliable indicator of future performance. The value of your investment may go down as well as up and the fund value at retirement may be less than the payments you have made.

Key facts

Underlying fund size	£21,020m
Number of holdings	644
Underlying fund launch date	01/09/1994
Portfolio Manager	Team Approach
Benchmark	FTSE All-Share Index
Investment Style	Passive
Sedol code	B08ZTQ5
Performance Objective	To replicate the performance of its benchmark

Commentary

The FTSE Regional Committee met on 10 March 2010 to approve the quarterly changes to the UK series of the FTSE Actuaries Share Indices. All constituent changes were applied after the close of business on Friday 19 March 2010 and became effective on Monday 22 March 2010.

There were a total of five new additions to the FTSE-All Share – Afren, Hansen Transmissions, Hansteen, Gartmore Group and Invista European Real Estate Trust. There were no deletions from the FTSE-All Share.

Friday 19 March also saw the further implementation of the cumulative 1% changes to shares in issue rule. In all, 84 UK stocks had cumulative changes in excess of 1% but of these the most significant were increases in Tesco and National Grid.

In February the Kraft Foods offer for Cadbury was declared wholly unconditional. The terms of the offer was to receive £5 per share plus 0.1874 Kraft shares for each Cadbury share held. The index removed the stock from the All Share Index at the close of business on 5 February, and the fund sold out of its position to avoid receiving the US line of stock.

Past performance of the fund to 31 March 2010

	Quarter	1 Year*	3 Years*	5 Years*
BlackRock Aquila UK Equity Index fund	6.4	52.6	-0.1	7.3
Benchmark	6.4	52.3	-0.2	7.1

Prudential BlackRock Aquila

World ex-UK Index fund (series 3)

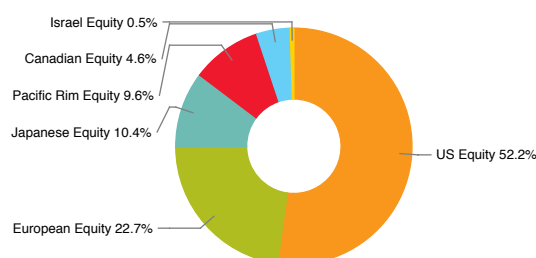
BLACKROCK

Fund description

The fund invests in shares of overseas companies according to the market capitalisation weights of 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.

Barclays Global Investors (BGI) has combined with BlackRock, and as a result we have changed the name of this fund from Prudential BGI Aquila to Prudential BlackRock Aquila.

Fund Breakdown



Top Holdings

	%
1 BlackRock Aquila Life US Equity Index fund	52.2
2 BlackRockAquila Life European Equity Index fund	22.7
3 BlackRock Aquila Life Japanese Equity Index fund	10.4
4 BlackRockAquila Life Pacific Rim Equity Index fund	9.6
5 BlackRock Aquila Life Canadian Equity fund	4.6
6 BlackRock Aquila Life Israel Equity fund	0.5

Key facts

Underlying fund size	£2,796m
Number of holdings	6
Underlying fund launch date	30/09/1999
Portfolio Manager	Team Approach
Benchmark	FTSE All-World Developed ex-UK Index
Investment Style	Passive
Sedol code	B08ZTN2
Performance Objective	To replicate the performance of its benchmark

Commentary

The first quarter was another strong three-month period for 'risk' assets, such as equities, commodities and corporate bonds. Evidence of economic recovery has continued, although fears of a double-dip recession never quite disappeared completely. Equity markets have continued their rally, albeit with a brief correction in January and February. There have been some exceptions to the positive sentiment as markets got agitated about sovereign credit risks in southern Europe, with Greece being the main focus of attention. These concerns damaged sentiment in that area and for the euro currency. Returns from the main bond markets have been either flat or modestly positive over the quarter, reflecting the continued absence of meaningful inflationary pressures.

Source: BlackRock
All figures are as at 31 March 2010, unless otherwise stated.

Performance

Past performance of the fund over each of the last 5 years to the end of March

	31/03/09 – 31/03/10	31/03/08 – 31/03/09	31/03/07 – 31/03/08	31/03/06 – 31/03/07	31/03/05 – 31/03/06
BlackRock Aquila World ex-UK Index fund	44.5	-18.5	-3.3	2.2	N/A
Benchmark	44.4	-18.9	-3.6	1.7	N/A

Past performance of the fund to 31 March 2010

	Quarter	1 Year*	3 Years*	5 Years*
BlackRock Aquila World ex-UK Index fund	10.3	44.5	4.4	N/A
Benchmark	10.4	44.4	4.1	N/A

Source: Prudential and Financial Express. * annualised

Based on percentage change in unit price. It is important to remember that past performance is not a reliable indicator of future performance. The value of your investment may go down as well as up and the fund value at retirement may be less than the payments you have made.

Regulatory Wording

Important information

Who manages the funds?

All of the series 3 funds are Prudential funds.

Prudential has delegated the investment management of the unit-linked funds to either M&G Investments or various fund managers outside of Prudential.

Prudential Assurance Company Limited holds the assets of the With-Profits Fund through custodians. Prudential has delegated the investment management of the fund through agreements with various investment managers including Prudential M&G.

How are the fund prices calculated?

The Series 3 funds operate on a single swinging price basis. The pricing basis on which units in the fund are transacted is dependent upon the cash flow into/out of the fund. This is also the price that is published.

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.

M&G Investments has a dealing cycle of T+0. This means that money received on day T buys units at the valuation date price applicable at close of business on the same day.

Funds managed by BlackRock have a dealing cycle of T+2. This means that money received on day T buys units at the valuation date price applicable at close of business 2 days later.

Can I get advice?

These factsheets should not be considered as financial promotions and any changes to investment arrangements should be discussed with an adviser. It is not our intention to give an indication of how any particular funds will perform in the future. The commentary in these factsheets reflects the general views of the individual fund managers 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 unit-linked 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).

Other important information

Exchange Rate Risk – exchange rate fluctuations may cause the Sterling values of overseas investments to rise or fall.

Fund asset parameters

Total fund level	Non-government bonds	Cash
At least 25% of the fund should be readily available within 7 days At least 50% of the fund should be less than 1 month to maturity	Can hold sterling denominated corporate debt up to 1 year maturity Can hold floating rate notes FRNs (up to maximum of 50%) A maximum of 2.5% of the fund in any one less than A issue bond A maximum of 5% of the fund in any one AAA, AA or A rated issue bond	Can hold money on deposit, commercial paper, Certificate of Deposit CDs (an interest bearing promissory note and is generally issued by a commercial bank), and gilt repos (simultaneous sale and repurchase of a security at a specified price, interest rate and time), all up to a maximum of 1 year maturity Maximum of £25m per counterparty.

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