

# Prudential With-Profits fund

This document has been produced to provide factual information on Prudential's With-Profits funds and should not be used as financial advice. If you are unsure what bonus series you are invested in or if there is information or terminology included that you would like to discuss, then please contact your adviser.



## Key facts

Fund size **£54.4 billion as at 29 June 2012**

Prudential Financial  
Strength rating\* **AA**

Portfolio Manager **Martin Brookes**

Investment Style **Prudent Active**

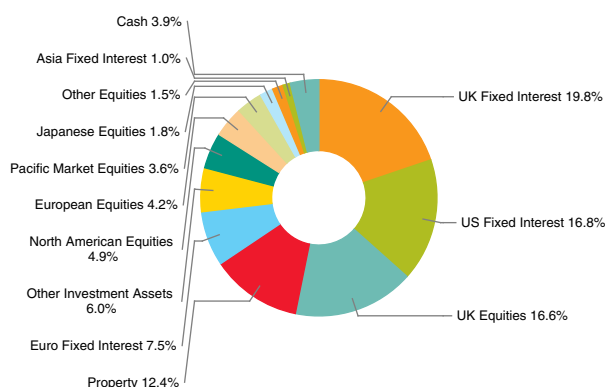
Performance Objective To offer competitive long term returns

\* Standard & Poor's as at September 2011

## 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 29 June 2012

Asset allocations are regularly reviewed and may vary from time to time, but will always be consistent with the fund objective.

## Prudential risk rating

**Lower to Medium**

## What is the risk rating?

- > 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

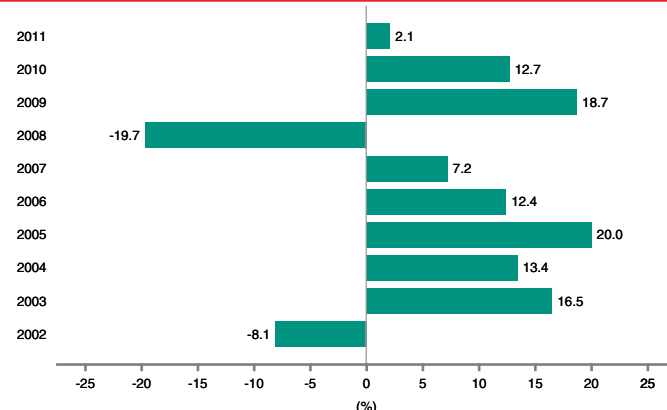
## Commentary

Uncertainty over the euro's future and the impact of Europe's recession on global growth weighted heavily on global markets in the second quarter. So too did China's slowing economy and the relatively modest pace of recovery in the US.

Looking at these three key risks to the global economy, we don't think the US and China are especially concerning and we believe they will be mitigated with the right policy mix from governments and central banks. It may not be a smooth ride and medium term growth is still likely to be well below historic trends, but we think the political will and policy firepower is sufficient to prevent a major slowdown. The third risk which is the fast deteriorating growth picture in Europe, indeed the future of the eurozone itself, is much more serious. It is not clear that there can be a solution to the crisis that is both politically feasible and economically workable, and in recent months we have become more sceptical that political elites will get it right.

Our broad conclusion is that the global economy is unusually risky at this time, that the key risk remains Europe, and it will take a much more determined policy response from both governments and central banks to mitigate those risks. We strongly believe that the cost of saving the eurozone is much lower than the cost of disintegration (measured in terms of lost output) and our central expectation remains that this cost benefit argument will eventually prevail and galvanise action. But there is clearly a risk that the response will be too small or too late and until we know one way or the other the catastrophic breakup scenario in Europe is still 'on the table'.

## Underlying investment returns



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

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.

- 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 will find this information at [www.pru.co.uk/factsheets](http://www.pru.co.uk/factsheets)
- > You should also consider discussing your decision and the appropriateness of a fund's risk rating with an adviser.

# Prudential With-Profits fund

## Performance (applicable from 6 April 2012)

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 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, but make no allowance for any applicable initial charges, allocation rates or early cash in charges (explicit charges).

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.

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

For the Unitheld returns shown, it is assumed that the contribution was invested without any allowance made for any explicit charges on 6 April 1, 3, 5 or 10 years ago and realised on or after 6 April 2012 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 2012 have passed since the contribution was invested.

Bonus Series	1 Year*	3 Years*	5 Years*	10 Years*
Unitheld L With-Profits Returns	4.30%	6.60%	4.25%	6.90%
Unitheld N With-Profits Returns	4.30%	6.60%	4.25%	6.85%
Cash Accumulation MPP With-Profits Returns	4.30%	6.60%	4.25%	6.90%
Cash Accumulation AVC With-Profits Returns	4.30%	6.60%	4.25%	6.85%

Source: Prudential. \* overall 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. Past performance is not a reliable indicator of future performance.

## 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).

### Unitheld With-Profits

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

Unitheld 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.

### Can I get advice?

This factsheet should not be considered as financial advice 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 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.

Its purpose is to provide an insight into how the fund(s) have performed over the period and is provided for information only. If you are not familiar with any of the investment terminology included on this factsheet, then please contact an adviser.

### 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.

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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. M&G Investments is a trading name of Prudential Pensions Limited and M&G Investment Management Limited whose business addresses are at Laurence Pountney Hill, London EC4R 0HH and Prudential Property Investment Managers Limited whose business address is Princeton House, 271-273 High Holborn, London WC1V 7NE. Part of Prudential plc. Prudential Pensions Limited and M&G Investment Management Limited are authorised and regulated by the Financial Services Authority.

# Prudential Deposit fund

## Fund description

The Prudential Deposit Fund earns a variable rate of interest. The current practice, which we can review at anytime, is to set the interest rate on the first of each month, in line with the Bank of England base rate at the time. The Deposit Fund is backed by the assets held within Prudential's With-Profits Fund. Any interest is declared monthly and there are no explicit charges. Interest once added is guaranteed and withdrawals from this fund are not subject to a Market Value Reduction (MVR).

## Performance

	Past Performance to 29 June 2012					
	Quarter 1**	1 Year*	2 Years*	3 Years*	4 Years*	5 Years*
Deposit fund	0.50%	0.50%	0.50%	0.50%	1.07%	1.93%
Benchmark	0.12%	0.50%	0.50%	0.50%	0.99%	1.87%

	12 months to the end of June				
	2008	2009	2010	2011	2012
Deposit fund	5.49%	2.79%	0.50%	0.50%	0.50%
Benchmark	5.47%	2.48%	0.50%	0.50%	0.50%

Source: Prudential. \*Annualised. \*\*This is an annualised rate based on the 3-month deposit rates to 29 June 2012.

It is important to remember that past performance is not a reliable indicator of future performance. Future Deposit fund rates cannot be guaranteed.

## Risk rating – Minimal

- > 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 will find this information at [www.pru.co.uk/factsheets](http://www.pru.co.uk/factsheets)
- > You should also consider discussing your decision and the appropriateness of a fund's risk rating with an adviser.

## Fund benchmark

Benchmark

**Bank of England Base Rate**

As noted the Deposit fund interest rate is currently set in line with the Bank of England Base Rate on the 1st of each month. The interest rate will then remain fixed for the rest of the month. Should the Bank of England Base Rate change during the month, a change in Deposit fund interest rate will take effect at the beginning of the next month.

## Important information

### Who is this factsheet for and what does it do?

This factsheet is intended for the trustees, advisers and members of additional voluntary contribution arrangements administered by Prudential.

Its purpose is to provide an insight into how the Deposit fund performed over the period and is provided for information only.

If you are not familiar with any of the investment terminology included on this factsheet, then please contact an adviser.

### Can I get advice?

This factsheet should not be considered as financial advice 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.

### How are the performance figures calculated?

Performance is measured by looking at the return after charges earned on a lump sum investment made on the first of the month over the period specified.

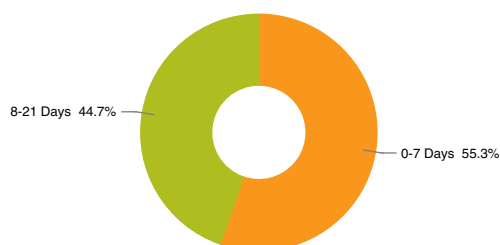
# Prudential Cash fund (Series 3)



## Fund description

The investment strategy of the fund is to purchase units in the M&G PP Cash Fund. This fund aims to provide a return consistent with investing in interest bearing deposits and/or short-term UK Government bonds. The fund is actively managed with the aim of beating its benchmark of the London Interbank 7 Day Deposit rate.

## Maturity profile



The asset mix is likely to vary in the future.

## Top holdings

%

1	Bank of America Intl 0.52% 11/07/12	9.8
2	Canadian Imperial Bank of Comm 0.45% 11/07/12	9.8
3	Citibank 0.52% 04/07/12	9.8
4	HSBC 0.45% 04/07/12	9.8
5	Lloyds TSB Bank Plc 0.48% 04/07/12	9.8
6	Nordea Bank Finland 0.45% 11/07/12	9.8
7	UBS 0.45% 04/07/12	9.8
8	Royal Bank of Scotland 0.48% 11/07/12	9.0
9	Rabobank International 0.4% 11/07/12	6.4
10	Crest 0.43% 04/07/12	5.8

The asset mix is likely to vary in the future.

Source: M&G

All figures are as at 29 June 2012, unless otherwise stated.

## Performance

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

	29/06/07 - 30/06/08	30/06/08 - 30/06/09	30/06/09 - 30/06/10	30/06/10 - 30/06/11	30/06/11 - 29/06/12
Cash fund	5.4	-1.8	6.1	0.5	0.5
Benchmark	5.7	2.5	0.5	0.5	0.5

## Key facts

Underlying fund size	£199m
Number of holdings	11
Underlying fund launch date	28/04/1982
Portfolio Manager	Prudential Capital
Benchmark	London Interbank 7 Day Deposit Rate
Investment Style	Active
Sedol code	3168110
Performance Objective	To beat the London Interbank 7 Day Deposit rate.

## Commentary

The fund currently invests in short-term money market deposits from banks within M&G's counterparty credit risk panel. At the end of the quarter, all of the fund's assets were invested in deposits with a maturity of no more than 21 days.

The fund continues to be actively managed with a focus on capital preservation and liquidity.

The fund aims to provide a return consistent with investing in interest bearing deposits and/or short-term UK government bonds.

Past performance of the fund to 29 June 2012

	Quarter	1 Year*	3 Years*	5 Years*
Cash fund	0.1	0.5	2.3	2.1
Benchmark	0.1	0.5	0.5	1.9

Source: Prudential. \* 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 Cash fund (Series 3)

## Prudential risk rating

### Minimal

#### What type of funds are in this risk category?

These funds may invest in a combination of deposits, money market instruments and other interest bearing securities.

## What is the risk rating?

- 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 will find this information at [www.pru.co.uk/factsheets](http://www.pru.co.uk/factsheets)
- You should also consider discussing your decision and the appropriateness of a fund's risk rating with an adviser.

## Important information

### 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 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.

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### Can I get advice?

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### Who manages the funds?

This fund is managed by M&G Investments.

### How are the performance figures calculated?

The performance shown overleaf is measured on the fluctuation of the daily published price. This published price is adjusted to accommodate the fund's dealing cycle where appropriate.

To obtain current unit price and performance information for all funds in the Prudential Fund range, simply log on to [www.pru.co.uk/funds](http://www.pru.co.uk/funds) and choose 'Prudential Corporate Pension Fund Prices' then filter on (Series 3).

### How are the fund prices calculated?

This fund operates on a single swinging price basis, based on the valuation of the underlying assets and cash flows into and out of the fund. This valuation price will be the published price.

### What is the dealing cycle?

This fund is forward priced which means that the member receives the next available unit price after their instruction has been received.

This fund 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.

### Other important information

Please note the performance figures shown do not take into account the effect of charges, which can be found in your 'A Guide to Fund Options'.

Asset allocations are regularly reviewed and may vary from time to time, but will always be consistent with the fund objective.

Please note if charges exceed the growth on the fund the value of your fund will fall.

For any fund there may be a delay in buying, selling or switching of units. These delays will only apply in exceptional circumstances and we will let you know if they apply to you. For more information please refer to your policy or scheme documentation.



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# Prudential Corporate Bond fund (Series 3)



## Fund description

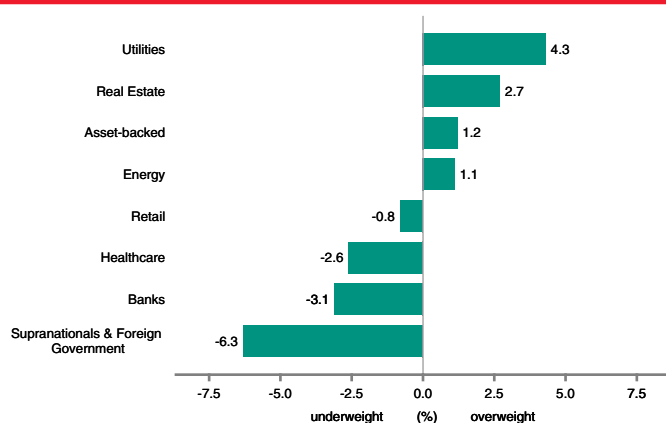
The investment strategy of the fund is to purchase units in the M&G PP All Stocks Corporate Bond Fund. This fund invests mainly in high quality Sterling corporate bonds across the range of maturities. The fund is actively managed against its performance benchmark of the iBoxx Sterling Non-Gilts Index. The fund may also hold British government gilts and derivatives (such as options and swaps) together with limited amounts of non-sterling and high yield corporate bonds where this may prove beneficial in the shorter term.

## Credit ratings and positions



The asset mix is likely to vary in the future.

## Sector positions vs benchmark



The asset mix is likely to vary in the future.

Source: M&G

All figures are as at 29 June 2012, unless otherwise stated.

## Key facts

Underlying fund size	£4,148m
Number of holdings	536
Underlying fund launch date	05/01/2000
Portfolio Manager	Jamie Hamilton
Benchmark	iBoxx Sterling Non-Gilts Index
Investment Style	Active
Sedol code	3168563
Performance Objective	To outperform the benchmark by 0.80% per year (before charges) over rolling 3-year periods.

## Commentary

The second quarter of 2012 saw the ebullient market sentiment witnessed at the start of the year evaporate, with investors once again gripped by bouts of extreme risk aversion. This was largely driven by renewed uncertainty over the euro's future and the impact of Europe's recession on global growth, which weighed heavily on markets.

While the first quarter saw credit performing very strongly, it was a different story between April and June, as the resurgence of investor fear saw the market unwinding much of that previously experienced gain.

This negative effect, however, was offset by the fund's bias towards secured assets within financials, including asset-backed securities and covered bonds, which performed well in the uncertain market conditions.

The fund manager remains overweight in credit, where he believes interesting opportunities are still available, in both the investment grade and high yield space. Early in the period, he reduced some of his exposure to high yield, taking profits from those positions following a rally in the first quarter.

The fund manager also kept the fund slightly short duration during the quarter. Gilt yields have benefited from the 'safe haven' effect and continued quantitative easing by the Bank of England. He believes that both factors, by their nature, are short term and therefore do not provide fundamental justification to be aggressively long duration.

## Performance

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

	29/06/07 - 30/06/08	30/06/08 - 30/06/09	30/06/09 - 30/06/10	30/06/10 - 30/06/11	30/06/11 - 29/06/12
Corporate Bond fund	1.4	3.5	17.6	6.1	10.3
Benchmark	0.2	1.2	15.9	5.2	9.0

Past performance of the fund to 29 June 2012

	Quarter	1 Year*	3 Years*	5 Years*
Corporate Bond fund	2.2	10.3	11.2	7.6
Benchmark	2.1	9.0	9.9	6.2

Source: Prudential. \* 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 Corporate Bond fund (Series 3)

## Prudential risk rating

### Lower to Medium

#### What type of funds are in this risk category?

Some of these funds invest in fixed interest securities, predominantly corporate bonds, with higher yielding corporate bonds placed towards the top end of this range as they carry higher default risk. The other funds in this category invest in a wide range of assets which help to provide risk diversification.

## What is the risk rating?

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- 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 will find this information at [www.pru.co.uk/factsheets](http://www.pru.co.uk/factsheets)
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## Important information

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### Who manages the funds?

This fund is managed by M&G Investments.

### How are the performance figures calculated?

The performance shown overleaf is measured on the fluctuation of the daily published price. This published price is adjusted to accommodate the fund's dealing cycle where appropriate.

To obtain current unit price and performance information for all funds in the Prudential Fund range, simply log on to [www.pru.co.uk/funds](http://www.pru.co.uk/funds) and choose 'Prudential Corporate Pension Fund Prices' then filter on (Series 3).

### How are the fund prices calculated?

This fund operates on a single swinging price basis, based on the valuation of the underlying assets and cash flows into and out of the fund. This valuation price will be the published price.

### What is the dealing cycle?

This fund is forward priced which means that the member receives the next available unit price after their instruction has been received.

This fund 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.

### Other important information

Please note the performance figures shown do not take into account the effect of charges, which can be found in your 'A Guide to Fund Options'.

Asset allocations are regularly reviewed and may vary from time to time, but will always be consistent with the fund objective.

For any fund there may be a delay in buying, selling or switching of units. These delays will only apply in exceptional circumstances and we will let you know if they apply to you. For more information please refer to your policy or scheme documentation.



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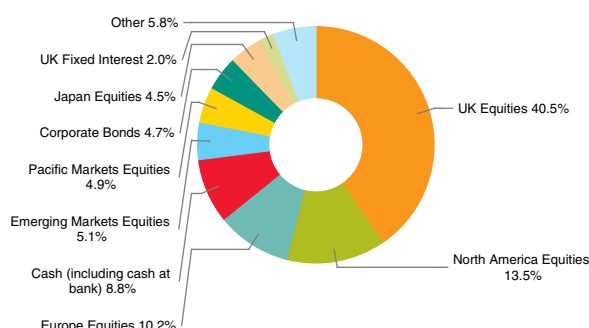
# Prudential Discretionary fund (Series 3)



## Fund description

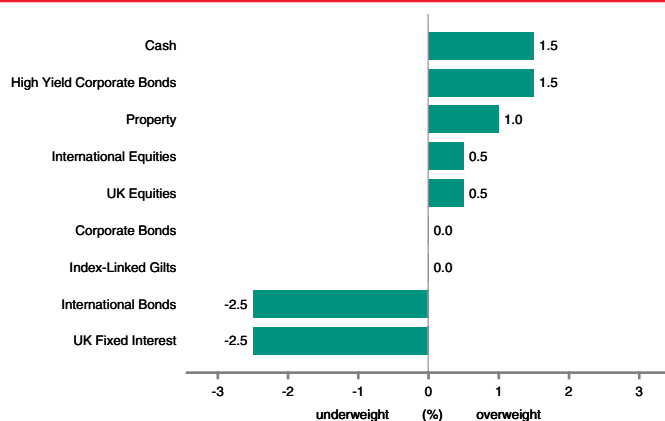
The investment strategy of the fund is to purchase units in the M&G PP Discretionary Fund. This fund aims to provide a traditional balanced approach to investment, holding a mix of UK and overseas shares, bonds, property and cash. The fund is actively managed against its benchmark of the BNY Mellon CAPS Balanced Pooled Fund Median. The significant numbers of stocks held in all areas reflect the prudent approach adopted by this fund. Both active stock selection and asset allocation are used to add value.

## Fund breakdown



The asset mix is likely to vary in the future.

## Target positions vs benchmark



The asset mix is likely to vary in the future.

Source: M&G

All figures are as at 29 June 2012, unless otherwise stated.

## Key facts

Underlying fund size	£836m
Number of holdings	13
Underlying fund launch date	20/04/1983
Portfolio Manager	Portfolio Management Group
Benchmark	BNY Mellon CAPS Balanced Pooled Fund Median (Gross)
Investment Style	Active multi-asset
Sedol code	3168574
Performance Objective	To outperform the benchmark by 1.15%-1.4% per year (before charges) over rolling 3-year periods.

## Commentary

In an environment where equities across all regions produced negative returns over the quarter, the fund's long position in this asset class held back returns. Meanwhile, performance was enhanced by positive stock selection in bonds issued by international governments.

The strategy remains broadly the same and there were no material changes to the portfolio since the previous quarter.

As stockmarkets fell due to concerns about a successful resolution to the crisis in the eurozone, the fund manager is maintaining a small position in his preferred markets. He retains a slightly long position in Japan and the UK, while he has an underweight stance in gilts and international government bonds.

The situation in the eurozone continues to weigh on sentiment and worries remain about the short-term prospects for the global economy, although the picture looks more encouraging over the longer term.

## Performance

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

	29/06/07 - 30/06/08	30/06/08 - 30/06/09	30/06/09 - 30/06/10	30/06/10 - 30/06/11	30/06/11 - 29/06/12
Discretionary fund	-8.0	-10.9	18.6	21.7	-2.1
Benchmark	-7.5	-13.0	19.2	20.2	-3.5

Past performance of the fund to 29 June 2012

	Quarter	1 Year*	3 Years*	5 Years*
Discretionary fund	-2.8	-2.1	12.2	3.0
Benchmark	-2.8	-3.5	11.7	2.4

Source: Prudential. \* 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 Discretionary fund (Series 3)

## Prudential risk rating

### Medium

#### What type of funds are in this risk category?

These funds are predominantly multi-asset funds with a higher weighting in equities. The Property Fund is also in this category.

## What is the risk rating?

- 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 will find this information at [www.pru.co.uk/factsheets](http://www.pru.co.uk/factsheets)
- You should also consider discussing your decision and the appropriateness of a fund's risk rating with an adviser.

## Important information

### Who is this factsheet for and what does it do?

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### Can I get advice?

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### Who manages the funds?

This fund is managed by M&G Investments.

### How are the performance figures calculated?

The performance shown overleaf is measured on the fluctuation of the daily published price. This published price is adjusted to accommodate the fund's dealing cycle where appropriate.

To obtain current unit price and performance information for all funds in the Prudential Fund range, simply log on to [www.pru.co.uk/funds](http://www.pru.co.uk/funds) and choose 'Prudential Corporate Pension Fund Prices' then filter on (Series 3).

### How are the fund prices calculated?

This fund operates on a single swinging price basis, based on the valuation of the underlying assets and cash flows into and out of the fund. This valuation price will be the published price.

### What is the dealing cycle?

This fund is forward priced which means that the member receives the next available unit price after their instruction has been received.

This fund 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.

### Other important information

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

Please note the performance figures shown do not take into account the effect of charges, which can be found in your 'A Guide to Fund Options'.

Asset allocations are regularly reviewed and may vary from time to time, but will always be consistent with the fund objective.

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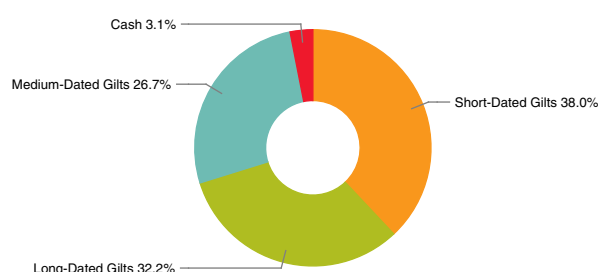
# Prudential Fixed Interest fund (Series 3)



## Fund description

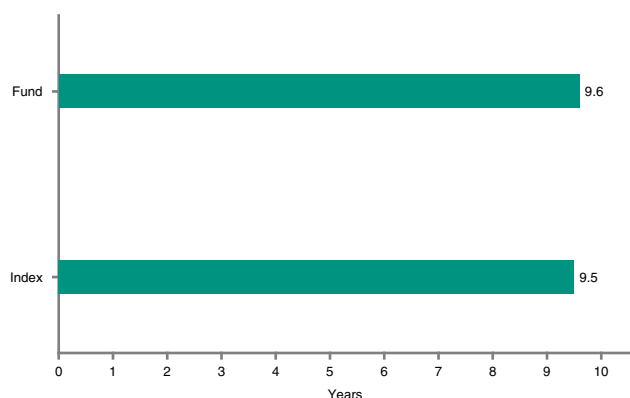
The investment strategy of the fund is to purchase units in the M&G PP Fixed Interest Fund. This fund invests in British government gilts and Sterling corporate bonds issued by UK and overseas borrowers. The fund is actively managed against its benchmark of the FTSE A British Government All Stocks Index. The fund can also invest in overseas government bonds. The values of any overseas holdings are protected from short-term exchange rate movements by hedging.

## Fund breakdown



The asset mix is likely to vary in the future.

## Duration



The asset mix is likely to vary in the future.

Source: M&G

All figures are as at 29 June 2012, unless otherwise stated.

## Performance

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

	29/06/07 - 30/06/08	30/06/08 - 30/06/09	30/06/09 - 30/06/10	30/06/10 - 30/06/11	30/06/11 - 29/06/12
Fixed Interest fund	7.2	10.6	10.9	3.8	16.8
Benchmark	6.2	12.9	6.7	3.1	15.9

### Past performance of the fund to 29 June 2012

	Quarter	1 Year*	3 Years*	5 Years*
Fixed Interest fund	3.6	16.8	10.4	9.8
Benchmark	3.8	15.9	8.4	8.9

Source: Prudential. \* 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	£107m
Number of holdings	7
Underlying fund launch date	21/04/1971
Portfolio Manager	David Lloyd
Benchmark	FTSE A British Government All Stocks Index
Investment Style	Active
Sedol code	3168585
Performance Objective	To outperform the benchmark by 0.75% per year (before charges) over rolling 3-year periods.

## Commentary

The second quarter of 2012 saw the ebullient market sentiment witnessed at the start of the year evaporate, with investors once again gripped by bouts of extreme risk aversion. This was largely driven by renewed uncertainty over the euro's future and the impact of Europe's recession on global growth, which weighed heavily on markets.

The fund manager began establishing his overweight position in 40-year bonds during the first quarter, as he felt they had become very attractively valued, largely due to increased issuance.

The fund has minimal duration risk at the moment, relative to the benchmark. The fund manager does not think the market is offering long-term value, particularly in the 10-year area, which he expects to sell off in the near term. This has not happened yet as economic uncertainty has persisted; gilt yields have continued to benefit from investors seeking safe havens in times of market turmoil, and from further quantitative easing by the Bank of England.

The fund manager is maintaining his overweight at the ultra-long segment of the market, as he believes issuance in this segment will be lighter going forward, and valuations are currently very generous.

He remains prepared to act on relative value opportunities within the yield curve, and he will carry on identifying assets that appear expensive or inexpensive, and moving between them accordingly.

# Prudential Fixed Interest fund (Series 3)

## Prudential risk rating

### Lower

#### What type of funds are in this risk category?

These funds may invest in fixed interest securities including gilts, index-linked gilts and an element of corporate bonds. These types of investment are generally recognised as low risk.

## What is the risk rating?

- › 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.
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## Important information

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### Who manages the funds?

This fund is managed by M&G Investments.

### How are the performance figures calculated?

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To obtain current unit price and performance information for all funds in the Prudential Fund range, simply log on to [www.pru.co.uk/funds](http://www.pru.co.uk/funds) and choose 'Prudential Corporate Pension Fund Prices' then filter on (Series 3).

### How are the fund prices calculated?

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### What is the dealing cycle?

This fund is forward priced which means that the member receives the next available unit price after their instruction has been received.

This fund 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.

### Other important information

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

Please note the performance figures shown do not take into account the effect of charges, which can be found in your 'A Guide to Fund Options'.

Asset allocations are regularly reviewed and may vary from time to time, but will always be consistent with the fund objective.

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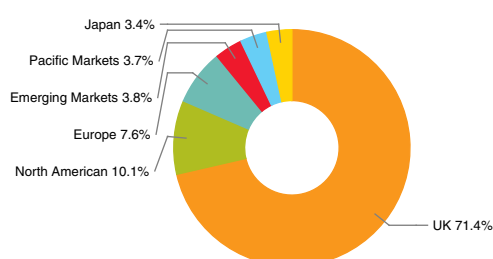
# Prudential Global Equity fund (Series 3)



## Fund description

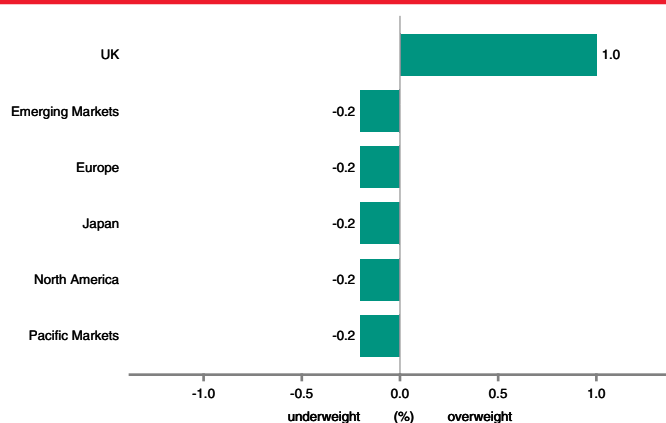
The investment strategy of the fund is to purchase units in the M&G PP Global Equity Fund. This fund invests in the shares of UK and overseas companies. The fund is actively managed with a benchmark of 70% in UK equities and 30% in overseas equities (in the same proportions as the average overseas equity distribution in the BNY Mellon CAPS Balanced Pooled Fund Survey). The significant numbers of stocks held in each region reflect the prudent approach adopted by this fund. Both active stock selection and asset allocation are used to add value.

## Fund breakdown



The asset mix is likely to vary in the future.

## Target positions vs benchmark



The asset mix is likely to vary in the future.

Source: M&G

All figures are as at 29 June 2012, unless otherwise stated.

## Key facts

Underlying fund size	£195m
Number of holdings	2
Underlying fund launch date	24/06/1992
Portfolio Manager	Portfolio Management Group
Benchmark	Mix of FTSE and MSCI Regional Indices
Investment Style	Active
Sedol code	3168596
Performance Objective	To outperform the benchmark by 1.0% per year (before charges) over rolling 3-year periods.

## Commentary

UK share prices performed better than European, Asian and emerging market equities over the three months. Consequently the fund's slightly long positioning in this market proved beneficial.

The underlying Emerging Markets Fund performed relatively well, thanks to successful stock selection. Individual contributors here included Banorte, one of Mexico's largest banks, and South Africa's Imperial Holdings, which is exposed to Africa's economic development. The fund manager of this underlying fund took advantage of attractive valuations to add to stocks that he believed had been oversold.

There has been no change in the portfolio's overall strategy and the fund manager is maintaining a long position in UK equities.

Although the eurozone, one of the UK's major export markets, still faces considerable difficulties, the fund manager remains broadly optimistic about prospects for the UK. Many large firms have an international presence, putting them in a good position to benefit from economic growth from emerging markets, which is superior to many of their western counterparts.

It is undeniable that challenges remain in the immediate future, as questions surround the ability of the global economy to generate sustainable growth. Nevertheless, the longer term picture for international investments is more compelling.

## Performance

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

	29/06/07 - 30/06/08	30/06/08 - 30/06/09	30/06/09 - 30/06/10	30/06/10 - 30/06/11	30/06/11 - 29/06/12
Global Equity fund	-11.6	-16.1	21.3	26.1	-3.2
Benchmark	-11.3	-18.3	21.8	24.5	-4.6

### Past performance of the fund to 29 June 2012

	Quarter	1 Year*	3 Years*	5 Years*
Global Equity fund	-2.5	-3.2	13.9	1.9
Benchmark	-3.2	-4.6	13.1	0.9

Source: Prudential. \* 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 Global Equity fund (Series 3)

## Prudential risk rating

### Medium to Higher

#### What type of funds are in this risk category?

These funds offer a diverse geographical spread of equity investment. The funds within this category will have greater overseas exposure and underlying volatility than the "medium" sector.

## What is the risk rating?

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### Who manages the funds?

This fund is managed by M&G Investments.

### How are the performance figures calculated?

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### What is the dealing cycle?

This fund is forward priced which means that the member receives the next available unit price after their instruction has been received.

This fund 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.

### Other important information

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

Please note the performance figures shown do not take into account the effect of charges, which can be found in your 'A Guide to Fund Options'.

Asset allocations are regularly reviewed and may vary from time to time, but will always be consistent with the fund objective.

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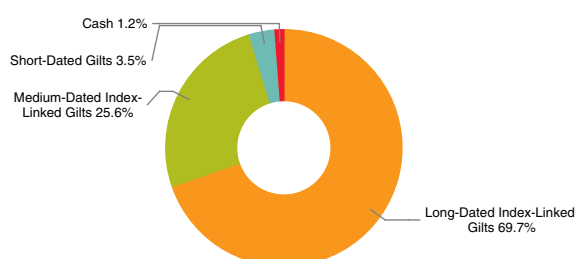
# Prudential Index-Linked fund (Series 3)



## Fund description

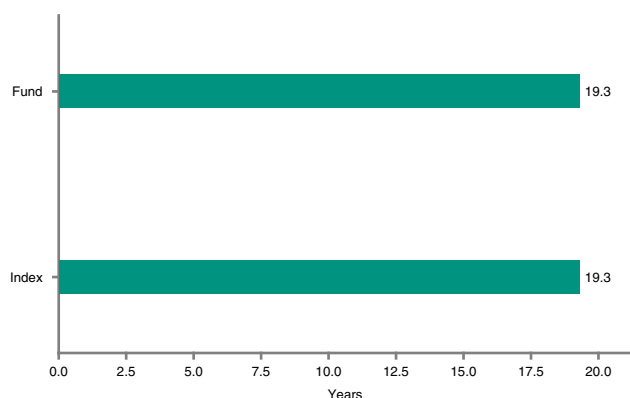
The investment strategy of the fund is to purchase units in the M&G PP Index-Linked Fund. This fund invests mainly in British Government index-linked gilts, typically with over five years to maturity. The fund is actively managed against its benchmark of the FTSE British Government Over 5 Years Index-Linked Index. The fund can also invest in index-linked corporate bonds and overseas index-linked government bonds. The values of any overseas holdings are protected from short-term exchange rate movements by hedging.

## Fund breakdown



The asset mix is likely to vary in the future.

## Duration



The asset mix is likely to vary in the future.

Source: M&G

All figures are as at 29 June 2012, unless otherwise stated.

## Key facts

Underlying fund size	£328m
Number of holdings	8
Underlying fund launch date	20/04/1983
Portfolio Manager	David Lloyd
Benchmark	FTSE British Government Over 5 Years Index-Linked Index
Investment Style	Active
Sedol code	3168604
Performance Objective	To outperform the benchmark by 0.75% per year (before charges) over rolling 3-year periods.

## Commentary

The second quarter of 2012 saw the ebullient market sentiment witnessed at the start of the year evaporate, with investors once again gripped by bouts of extreme risk aversion. This was largely driven by renewed uncertainty over the euro's future and the impact of Europe's recession on global growth, which weighed heavily on markets.

At various points during the quarter, the manager went underweight in index-linked gilts, which underperformed, in favour of conventional UK government bonds, and this proved beneficial.

While the fund manager currently prefers longer dated issues, his relatively small position at the ultra-long end of the market detracted from performance to a degree, as this segment remained weak over the quarter.

The fund has no duration risk at the moment, relative to the benchmark. Going into the next quarter, the fund manager is increasing his exposure to 15 and 50-year bonds, while reducing his positions in 30-year maturities, as he believes this is set to be the next oversupplied segment of the market.

The fund manager remains prepared to act on relative value opportunities within the yield curve and he will carry on identifying assets that appear expensive or inexpensive and moving between them accordingly. He believes that the best opportunities will result from attractive valuations following bond syndications and he will continue taking advantage of these.

## Performance

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

	29/06/07 - 30/06/08	30/06/08 - 30/06/09	30/06/09 - 30/06/10	30/06/10 - 30/06/11	30/06/11 - 29/06/12
Index-Linked fund	17.5	-3.5	13.6	10.7	19.3
Benchmark	17.2	-0.6	8.4	9.7	16.9

### Past performance of the fund to 29 June 2012

	Quarter	1 Year*	3 Years*	5 Years*
Index-Linked fund	0.9	19.3	14.5	11.2
Benchmark	0.8	16.9	11.6	10.1

Source: Prudential. \* 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 Index-Linked fund (Series 3)

## Prudential risk rating

### Lower

#### What type of funds are in this risk category?

These funds may invest in fixed interest securities including gilts, index-linked gilts and an element of corporate bonds. These types of investment are generally recognised as low risk.

## What is the risk rating?

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### Who manages the funds?

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### How are the performance figures calculated?

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### What is the dealing cycle?

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### Other important information

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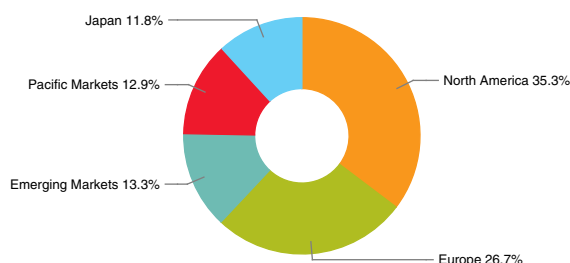
# Prudential International Equity fund (Series 3)



## Fund description

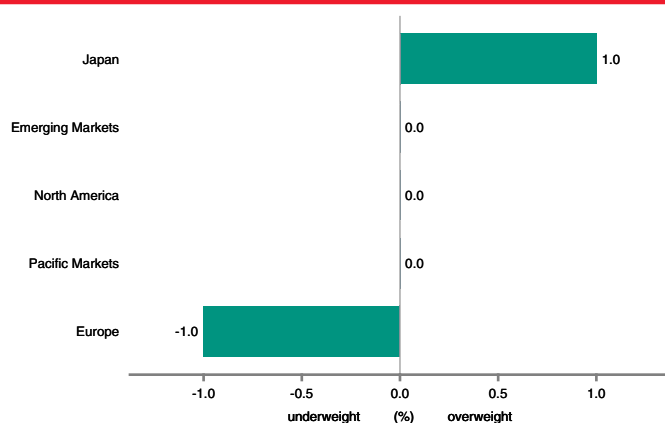
The investment strategy of the fund is to purchase units in the M&G PP International Equity Fund. This fund invests in the shares of companies in all the major overseas equity markets. The fund is actively managed against a benchmark mix of the regional market indices in the same proportions as the average overseas equity distribution in the BNY Mellon CAPS Balanced Pooled Fund Survey. The significant number of stocks held in each region reflect the prudent approach adopted by this fund. Both active stock selection and asset allocation are used to add value.

## Geographical weighting



The asset mix is likely to vary in the future.

## Target positions vs benchmark



The asset mix is likely to vary in the future.

Source: M&G

All figures are as at 29 June 2012, unless otherwise stated.

## Key facts

Underlying fund size	£436m
Number of holdings	7
Underlying fund launch date	15/04/1981
Portfolio Manager	Portfolio Management Group
Benchmark	Mix of FTSE and MSCI Regional Indices
Investment Style	Active
Sedol code	3168626
Performance Objective	To outperform the benchmark by 1.0% per year (before charges) over rolling 3-year periods.

## Commentary

Investors' appetite for risk was dampened as the difficulties in the eurozone and concerns about prospects for global economic growth weighed on sentiment.

The relative performance of the underlying European portion of the portfolio was held back by stock selection in the oil industry, while stock decisions in the financials, industrials and information technology sectors dampened the performance of the underlying US fund.

Nonetheless, selected stocks that added value included US tobacco firm Altria and French media firm Vivendi, which are held in the underlying North American and European funds, respectively.

The immediate future remains challenging for global stockmarkets, with developments in the eurozone and macroeconomic data from the US in particular likely to dictate investor sentiment, and any negative news may well result in sharp downturns. The fund manager believes the longer term picture is more encouraging as he feels policymakers will eventually take positive steps to address key issues.

The majority of the fund is held in the US and Europe, with smaller amounts held in emerging markets and Pacific markets. He also holds a modest position in Japan, although it is slightly long compared with the composite benchmark.

## Performance

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

	29/06/07 - 30/06/08	30/06/08 - 30/06/09	30/06/09 - 30/06/10	30/06/10 - 30/06/11	30/06/11 - 29/06/12
International Equity fund	-8.3	-12.4	23.0	21.9	-7.5
Benchmark	-7.4	-13.4	23.1	21.6	-8.0

### Past performance of the fund to 29 June 2012

	Quarter	1 Year*	3 Years*	5 Years*
International Equity fund	-4.9	-7.5	11.5	2.2
Benchmark	-4.7	-8.0	11.2	2.0

Source: Prudential. \* 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 International Equity fund (Series 3)

## Prudential risk rating

### Medium to Higher

#### What type of funds are in this risk category?

These funds offer a diverse geographical spread of equity investment. The funds within this category will have greater overseas exposure and underlying volatility than the "medium" sector.

## What is the risk rating?

- 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 will find this information at [www.pru.co.uk/factsheets](http://www.pru.co.uk/factsheets)
- You should also consider discussing your decision and the appropriateness of a fund's risk rating with an adviser.

## Important information

### 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 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.

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### Can I get advice?

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### Who manages the funds?

This fund is managed by M&G Investments.

### How are the performance figures calculated?

The performance shown overleaf is measured on the fluctuation of the daily published price. This published price is adjusted to accommodate the fund's dealing cycle where appropriate.

To obtain current unit price and performance information for all funds in the Prudential Fund range, simply log on to [www.pru.co.uk/funds](http://www.pru.co.uk/funds) and choose 'Prudential Corporate Pension Fund Prices' then filter on (Series 3).

### How are the fund prices calculated?

This fund operates on a single swinging price basis, based on the valuation of the underlying assets and cash flows into and out of the fund. This valuation price will be the published price.

### What is the dealing cycle?

This fund is forward priced which means that the member receives the next available unit price after their instruction has been received.

This fund 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.

### Other important information

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

Please note the performance figures shown do not take into account the effect of charges, which can be found in your 'A Guide to Fund Options'.

Asset allocations are regularly reviewed and may vary from time to time, but will always be consistent with the fund objective.

For any fund there may be a delay in buying, selling or switching of units. These delays will only apply in exceptional circumstances and we will let you know if they apply to you. For more information please refer to your policy or scheme documentation.



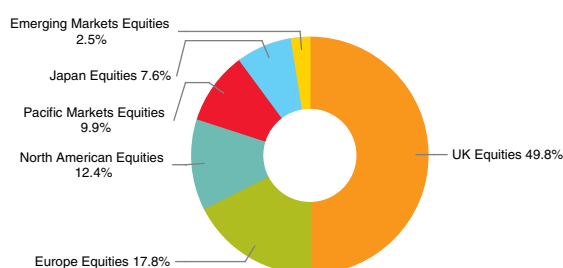
# Prudential Long Term Growth fund (Series 3)



## Fund description

The investment strategy of the fund is to purchase units in the M&G PP Long Term Growth Fund. This fund invests in the shares of companies around the world with about 50% invested in the UK and 50% overseas, roughly in proportion to each region's economic importance. The fund is passively managed with a benchmark of 50% tracking the FTSE All-Share Index and 50% tracking a mix of overseas regional market indices using fixed weights broadly reflecting each region's Gross Domestic Product. The split between UK and overseas equities and between overseas regions may alter from time to time to reflect changing economic and market conditions.

## Geographical breakdown



The asset mix is likely to vary in the future.

## Top holdings

	%
1 HSBC	3.0
2 Vodafone	2.6
3 BP	2.3
4 Royal Dutch Shell 'A'	2.3
5 GlaxoSmithKline	2.1
6 British American Tobacco	1.9
7 Royal Dutch Shell 'B'	1.7
8 BG	1.3
9 Diageo	1.2
10 Rio Tinto	1.1

The asset mix is likely to vary in the future.

Source: M&G

All figures are as at 29 June 2012, unless otherwise stated.

## Performance

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

	29/06/07 - 30/06/08	30/06/08 - 30/06/09	30/06/09 - 30/06/10	30/06/10 - 30/06/11	30/06/11 - 29/06/12
Long Term Growth fund	-9.9	-16.0	21.8	24.4	-6.1
Benchmark	-10.4	-16.8	21.5	24.3	-6.1

## Key facts

Underlying fund size	£163m
Number of holdings	6
Underlying fund launch date	31/01/2001
Portfolio Manager	Portfolio Management Group
Benchmark	50% FTSE All-Share Index & 50% composite of FTSE World and MSCI Regional Market Indices
Investment Style	Passive
Sedol code	3168637
Performance Objective	To match the performance of the benchmark as closely as possible.

## Commentary

Stockmarkets everywhere lost value during the quarter as global growth momentum stalled and Europe's debt crisis intensified. Emerging market indices fell the most as many of their economies rely on exporting commodities where prices had softened. Those shares perceived to be most exposed to global growth were hit hardest, such as industrial metals and mining, while more defensive areas of the market, like utilities, proved more resilient.

The FTSE All-Share Index was down 2.6% with investors growing ever more anxious over developments in Europe. The biggest losers were basic materials, mining, technology and banking stocks, while defensive sectors such as utilities and pharmaceuticals made some gains. Bank shares were also pulled down by trading losses at JP Morgan and interbank interest rate fixing charges at Barclays.

Although the US stockmarket declined during the quarter, it was one of the best performing markets. Being the world's reserve currency and perceived as a 'safe haven', the US dollar gained from the debt crisis in Europe.

Equities fell across Europe, with Spain and Italy down hugely. Even Germany was very weak, as the country's manufacturers felt the effects of Europe's deepening recession and lack of growth elsewhere. Share prices in Pacific markets and Japan were also lower on fears over falling global demand, with much of Europe in recession and economic activity easing in China.

Singapore held up better than most markets while Taiwan and Korea were the laggards.

Past performance of the fund to 29 June 2012

	Quarter	1 Year*	3 Years*	5 Years*
Long Term Growth fund	-3.8	-6.1	12.5	1.5
Benchmark	-3.8	-6.1	12.3	1.1

Source: Prudential. \* 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 Long Term Growth fund (Series 3)

## Prudential risk rating

### Medium to Higher

#### What type of funds are in this risk category?

These funds offer a diverse geographical spread of equity investment. The funds within this category will have greater overseas exposure and underlying volatility than the "medium" sector.

## What is the risk rating?

- 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 will find this information at [www.pru.co.uk/factsheets](http://www.pru.co.uk/factsheets)
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### Who manages the funds?

This fund is managed by M&G Investments.

### How are the performance figures calculated?

The performance shown overleaf is measured on the fluctuation of the daily published price. This published price is adjusted to accommodate the fund's dealing cycle where appropriate.

To obtain current unit price and performance information for all funds in the Prudential Fund range, simply log on to [www.pru.co.uk/funds](http://www.pru.co.uk/funds) and choose 'Prudential Corporate Pension Fund Prices' then filter on (Series 3).

### How are the fund prices calculated?

This fund operates on a single swinging price basis, based on the valuation of the underlying assets and cash flows into and out of the fund. This valuation price will be the published price.

### What is the dealing cycle?

This fund is forward priced which means that the member receives the next available unit price after their instruction has been received.

This fund 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.

### Other important information

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

Please note the performance figures shown do not take into account the effect of charges, which can be found in your 'A Guide to Fund Options'.

Asset allocations are regularly reviewed and may vary from time to time, but will always be consistent with the fund objective.

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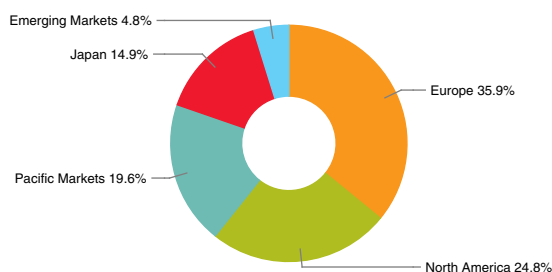
# Prudential Overseas Equity Passive fund (Series 3)



## Fund description

The fund invests in all the major overseas equity markets. Most of the fund is passively managed with a benchmark mix of the regional market indices using fixed weights broadly reflecting each region's Gross Domestic Product. Tracking is achieved by replicating the larger companies in each region's index plus carefully modelling stratified samples of the remainder of the companies in each index. The strategic split between the regions may alter periodically to reflect changing economic and market conditions.

## Fund breakdown



The asset mix is likely to vary in the future.

## Top holdings

	%
1 Nestlé	1.3
2 Novartis	0.9
3 Roche	0.8
4 Samsung Electronics	0.8
5 Morgan Stanley	0.6
6 Occidental Petroleum	0.6
7 Sanofi	0.6
8 Total	0.6
9 Toyota Motor	0.6
10 Lincoln National	0.5

The asset mix is likely to vary in the future.

Source: M&G

All figures are as at 29 June 2012, unless otherwise stated.

## Performance

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

	29/06/07 - 30/06/08	30/06/08 - 30/06/09	30/06/09 - 30/06/10	30/06/10 - 30/06/11	30/06/11 - 29/06/12
Overseas Equity Passive fund	-6.7	-12.9	22.2	22.6	-9.2
Benchmark	-7.7	-13.2	21.8	22.9	-9.1

## Key facts

Underlying fund size	£86m
Number of holdings	5
Underlying fund launch date	15/12/1999
Portfolio Manager	Portfolio Management Group
Benchmark	Mix of FTSE and MSCI regional indices of fixed weights broadly reflecting each region's GDP
Investment Style	Passive
Sedol code	3169395
Performance Objective	To match the performance of the benchmark as closely as possible.

## Commentary

Stockmarkets everywhere lost value during the quarter as global growth momentum stalled and Europe's debt crisis intensified. Emerging market indices fell the most as many of their economies rely on exporting commodities where prices had softened. Those shares perceived to be most exposed to global growth were hit hardest, such as industrial metals and mining, while more defensive areas of the market, like utilities, proved more resilient.

Although the US stockmarket declined during the quarter, it was one of the best performing markets internationally. Being the world's reserve currency and perceived as a 'safe haven', the US dollar gained from the debt crisis in Europe. The relative good performance of US shares came on the back of modestly positive economic data and generally strong corporate earnings.

Equities fell across Europe, with Spain and Italy down hugely. Even Germany was very weak, as the country's manufacturers felt the effects of Europe's deepening recession and lack of growth elsewhere.

Asian stockmarkets too were lower on fears over falling global demand, with much of Europe in recession and economic activity easing in China. Singapore held up better than most markets while Taiwan and Korea were the laggards.

Concerns over the impact of a slowdown in global growth on Japan's exporters and the strong yen hurt investor sentiment, although the country showed ongoing signs of better domestic activity.

Past performance of the fund to 29 June 2012

	Quarter	1 Year*	3 Years*	5 Years*
Overseas Equity Passive fund	-4.9	-9.2	10.8	2.0
Benchmark	-4.9	-9.1	10.8	1.8

Source: Prudential. \* 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 Overseas Equity Passive fund (Series 3)

## Prudential risk rating

### Medium to Higher

#### What type of funds are in this risk category?

These funds offer a diverse geographical spread of equity investment. The funds within this category will have greater overseas exposure and underlying volatility than the "medium" sector.

## What is the risk rating?

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### Other important information

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Authorised and regulated by the Financial Services Authority. M&G Investments is a trading name of Prudential Pensions Limited and M&G Investment Management Limited whose business addresses are at Laurence Pountney Hill, London EC4R 0HH and Prudential Property Investment Managers Limited whose business address is Princeton House, 271-273 High Holborn, London WC1V 7NE. Part of Prudential plc. Prudential Pensions Limited and M&G Investment Management Limited are authorised and regulated by the Financial Services Authority.



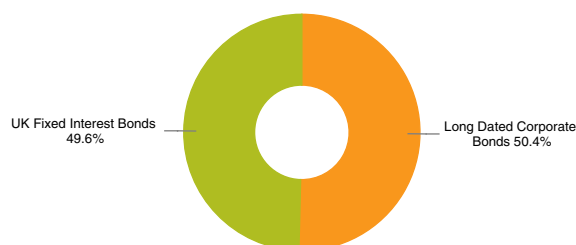
# Prudential Pre-Retirement fund (Series 3)



## Fund description

The investment strategy of the fund is to purchase units in the M&G PP Pre-Retirement Fund. This fund invests in long-dated bonds split equally between passively managed British government gilts and actively managed sterling corporate bonds. The fund's benchmark is 50% tracking movements in the FTSE A British Government Over 15 Years Gilts Index and 50% aiming to outperform the iBoxx Sterling Over 15 Years Non-Gilts Index. The split between government and corporate bonds may alter from time to time to reflect changing economic and market conditions.

## Fund breakdown



The asset mix is likely to vary in the future.

## Top holdings

		%
1	UK (Govt of) 4.25% 07/06/32	4.4
2	UK (Govt of) 4.25% 07/12/27	4.2
3	UK (Govt of) 4.75% 07/12/30	3.8
4	UK (Govt of) 4.75% 07/12/38	3.8
5	UK (Govt of) 4.5% 07/12/42	3.6
6	UK (Govt of) 4.25% 07/12/40	3.5
7	UK (Govt of) 4.25% 07/03/36	3.4
8	UK (Govt of) 4.25% 07/12/55	3.4
9	UK (Govt of) 4.5% 07/09/34	3.2
10	UK (Govt of) 6% 07/12/28	3.2

The asset mix is likely to vary in the future.

Source: M&G

All figures are as at 29 June 2012, unless otherwise stated.

## Performance

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

	29/06/07 - 30/06/08	30/06/08 - 30/06/09	30/06/09 - 30/06/10	30/06/10 - 30/06/11	30/06/11 - 29/06/12
Pre-Retirement fund	3.9	9.3	12.8	3.6	21.6
Benchmark	2.1	7.3	12.7	3.6	21.7

## Key facts

Underlying fund size	£77m
Number of holdings	2
Underlying fund launch date	31/01/2001
Portfolio Manager	Portfolio Management Group
Benchmark	50% FTSE A British Government Over 15 Years Gilts Index and 50% iBoxx Sterling Over 15 Years Non-Gilts Index
Investment Style	Combination of active and passive
Sedol code	3169403
Performance Objective	To match the performance of the benchmark as closely as possible.

## Commentary

The fund's strategic asset allocation remains 50% UK long dated gilts and 50% UK long dated corporate bonds. The fund is rebalanced to these weightings shortly after each quarter end.

UK government borrowing costs hit record lows as investors sought 'safe havens' amid Europe's debt crisis. Despite the UK's worsening budget deficit and falling tax revenues, the attractions to investors of its independent currency negated any concerns. The 10-year benchmark bond returned 4.1% as a result. In comparison, sterling corporate bonds returned a modest 2.1% over the quarter.

The UK economy shrank in the first quarter, the second successive quarter of negative growth, indicating the UK had slipped back into recession. Public sector borrowing increased more than expected in May as tax receipts fell and spending rose, a sign the coalition Conservative-led government may struggle to meet its debt reduction target. The knock-on effects of the eurozone debt crisis have forced the government to admit it will take longer to eliminate its budget deficit. However, inflation fell to its lowest level since 2009 in May, which is supportive of further monetary easing.

Past performance of the fund to 29 June 2012

	Quarter	1 Year*	3 Years*	5 Years*
Pre-Retirement fund	5.1	21.6	12.4	10.1
Benchmark	5.5	21.7	12.4	9.3

Source: Prudential. \* 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 Pre-Retirement fund (Series 3)

## Prudential risk rating

### Lower

#### What type of funds are in this risk category?

These funds may invest in fixed interest securities including gilts, index-linked and an element of corporate bonds. These types of investment are generally recognised as lower risk.

## What is the risk rating?

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### How are the performance figures calculated?

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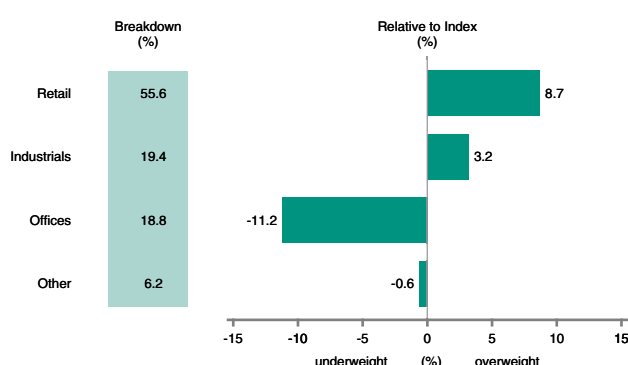
# Prudential Property fund (Series 3)



## Fund description

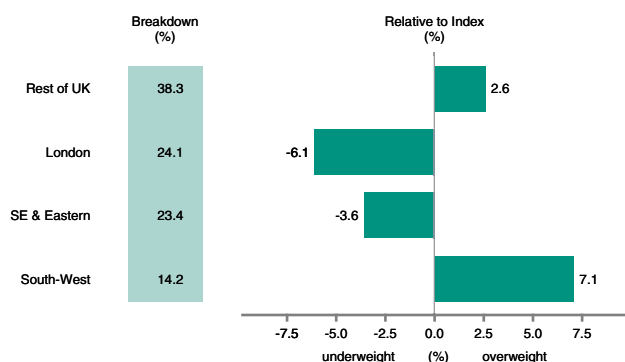
The investment strategy of the fund is to purchase units in the M&G PP Property Fund. This fund invests directly in commercial property in the UK, including retail, office and industrial properties and provides returns through a combination of rental income and capital growth. At times the fund may have significant levels of cash (short term deposits) in advance of purchasing or following the sale of property. This may lead to lower than expected returns. The fund is actively managed against its benchmark, the IPD UK Pooled Property Fund All Balanced Index.

## Fund distribution and relative positions by sector



The asset mix is likely to vary in the future.

## Fund distributions and relative positions by area



The asset mix is likely to vary in the future.

Source: M&G Index data as at 31 March 2012

All figures are as at 29 June 2012, unless otherwise stated.

## Key facts

Underlying fund size	£585m
Number of holdings	70
Underlying fund launch date	17/03/1971
Portfolio Manager	Dermot Kiernan
Benchmark	IPD UK Pooled Property Fund All Balanced Index
Investment Style	Active
Sedol code	3169414

**Performance Objective** To outperform the benchmark by 0.5% per year (net of charges) over rolling 3-year periods.

## Commentary

Returns for commercial property were flat over the second quarter, with the positive return from income broadly offsetting a decline in capital values. The polarisation between the demand for prime, defensive assets and more tertiary assets continued, with the market investors remaining very risk averse.

Over the quarter, the fund was affected by capital value falls on some of its office properties where leases are nearing termination and re-letting risk has consequently increased.

The fund manager remains focused on income as the core component of total return, with 'hands-on' active management of the assets critical in providing capital protection and value enhancement.

New lettings were completed over the quarter in Hampstead, Heathrow and Birmingham.

No new acquisitions were made over the quarter but the fund manager expects there to be more opportunities in the latter half of the year. The development at the fund's existing property in Warrington progressed well during the quarter and is on schedule to complete in August. There were no disposals during the quarter but the proposed part sale of the fund's retail holding in Hampstead has received good levels of investor interest.

## Performance

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

	29/06/07 - 30/06/08	30/06/08 - 30/06/09	30/06/09 - 30/06/10	30/06/10 - 30/06/11	30/06/11 - 29/06/12
Property fund	-13.0	-22.7	16.9	7.3	-3.2
Benchmark	-15.6	-27.2	19.0	7.7	4.0

### Past performance of the fund to 29 June 2012

	Quarter	1 Year*	3 Years*	5 Years*
Property fund	-7.0	-3.2	6.7	-4.0
Benchmark	0.3	4.0	10.1	-3.9

Source: Prudential. \* 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 Property fund (Series 3)

## Prudential risk rating

### Medium

#### What type of funds are in this risk category?

These funds are predominantly multi-asset funds with a higher weighting in equities.

## What is the risk rating?

- › 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 will find this information at [www.pru.co.uk/factsheets](http://www.pru.co.uk/factsheets)
- › You should also consider discussing your decision and the appropriateness of a fund's risk rating with an adviser.

## Important information

### 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 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.

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### Can I get advice?

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### Who manages the funds?

This fund is managed by M&G Investments.

### How are the performance figures calculated?

The performance shown overleaf is measured on the fluctuation of the daily published price. This published price is adjusted to accommodate the fund's dealing cycle where appropriate.

To obtain current unit price and performance information for all funds in the Prudential Fund range, simply log on to [www.pru.co.uk/funds](http://www.pru.co.uk/funds) and choose 'Prudential Corporate Pension Fund Prices' then filter on (Series 3).

### How are the fund prices calculated?

This fund operates on a single swinging price basis, based on the valuation of the underlying assets and cash flows into and out of the fund. This valuation price will be the published price.

### What is the dealing cycle?

This fund is forward priced which means that the member receives the next available unit price after their instruction has been received.

This fund 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.

### Other important information

Please note the performance figures shown do not take into account the effect of charges, which can be found in your 'A Guide to Fund Options'.

Asset allocations are regularly reviewed and may vary from time to time, but will always be consistent with the fund objective.

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 when we buy and sell 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. Other than in very exceptional circumstances we would not expect delays to be longer than six months in the case of units held in the fund. At other times the fund may have significant levels of cash (short-term deposits) in advance of purchasing or following the sale of property and/or land.



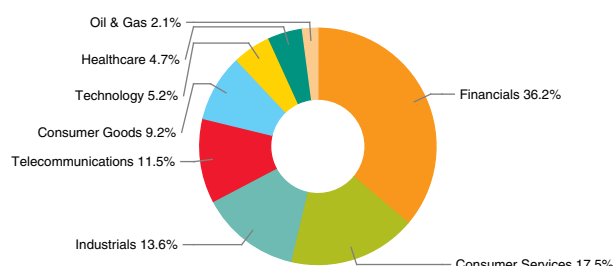
# Prudential Socially Responsible fund (Series 3)



## Fund description

The investment strategy of the fund is to invest in the shares of UK companies which pass a set of socially responsible criteria. The fund is actively managed against a benchmark constructed in conjunction with EIRIS (Ethical Investment Research Services). Companies who pass the screening criteria (which are reviewed regularly) represent around 60% of the FTSE All-Share Index by market capitalisation and so the fund's returns may vary more than other funds which can access the whole market.

## Fund breakdown



The asset mix is likely to vary in the future.

## Top holdings

%

1	Vodafone	9.3
2	HSBC	8.7
3	Standard Chartered	5.4
4	Diageo	4.1
5	Tesco	3.9
6	Barclays	2.6
7	Inchcape	2.4
8	Pearson	2.3
9	Smith & Nephew	2.3
10	Legal & General	2.1

The asset mix is likely to vary in the future.

Source: M&G

All figures are as at 29 June 2012, unless otherwise stated.

## Performance

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

	29/06/07 - 30/06/08	30/06/08 - 30/06/09	30/06/09 - 30/06/10	30/06/10 - 30/06/11	30/06/11 - 29/06/12
Socially Responsible fund	-24.9	-26.9	25.6	16.1	-3.4
Benchmark	-26.3	-20.4	25.5	20.1	-1.8

## Key facts

Underlying fund size	£27m
Number of holdings	325
Underlying fund launch date	08/12/1999
Portfolio Manager	Richard O'Connor
Benchmark	A subset of the FTSE All-Share Index, defined in conjunction with EIRIS
Investment Style	Active
Sedol code	3169436
Performance Objective	To outperform the benchmark by 1% per year (before charges) over rolling 3-year periods.

## Commentary

UK equities suffered in the second quarter of 2012, as renewed uncertainty over the euro's future and a discouraging outlook for global growth weighed heavily on markets.

The fund's largest source of returns were delivered by currency printer De La Rue. Investors are viewing De La Rue as a 'euro hedge', as a breakup of the euro would result in huge volume growth for the company, given that new currencies would be required in its absence. Broadband provider TalkTalk also performed well; its full-year earnings result showed better-than-expected customer figures and pre-tax profits that beat industry estimates.

Conversely, the fund's position in paper firm DS Smith dragged on performance, with its share price hit by the general sell-off of risk assets over the quarter. Automotive distributor Inchcape also disappointed, amid weak consumer demand for new cars.

The fund manager believes that the fund remains well positioned to weather the ongoing turmoil in global financial markets.

He maintained his holdings over the quarter, neither fully closing any positions nor purchasing any new stocks. The fund continues to be diversified across sectors, preserving a balance between more defensive companies, which tend to perform well in weak markets, and those that are more sensitive to economic activity.

Past performance of the fund to 29 June 2012

	Quarter	1 Year*	3 Years*	5 Years*
Socially Responsible fund	-1.8	-3.4	12.1	-5.0
Benchmark	-2.0	-1.8	14.1	-2.3

Source: Prudential. \* 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 Socially Responsible fund (Series 3)

## Prudential risk rating

### Higher

#### What type of funds are in this risk category?

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.

## What is the risk rating?

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### Who manages the funds?

This fund is managed by M&G Investments.

### How are the performance figures calculated?

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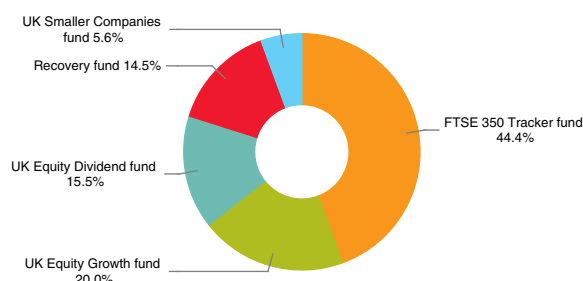
# Prudential Equity fund (Series 3)



## Fund description

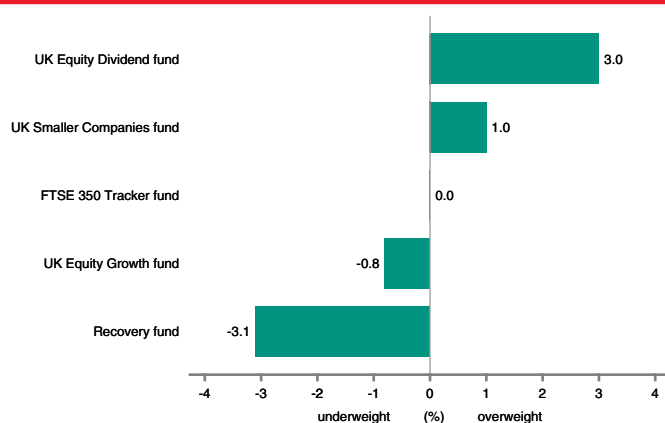
The investment strategy of the fund is to purchase units in the M&G PP UK Equity Fund. This fund invests in the shares of UK Companies. The fund is actively managed against its benchmark, the FTSE All-Share Index. The fund is a "fund of funds" holding units in several more specialised UK equity funds giving access to a variety of methods for generating investment returns in differing market conditions. The range of investment approaches used and spread of stocks held across all areas of the market reflect the fund's prudent performance objective.

## Fund breakdown



The asset mix is likely to vary in the future.

## Performance of underlying holdings relative to indices



The asset mix is likely to vary in the future.

Source: M&G

All figures are as at 29 June 2012, unless otherwise stated.

## Performance

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

	29/06/07 - 30/06/08	30/06/08 - 30/06/09	30/06/09 - 30/06/10	30/06/10 - 30/06/11	30/06/11 - 29/06/12
Equity fund	-13.0	-17.7	20.4	26.5	-1.5
Benchmark	-13.0	-20.5	21.1	25.6	-3.1

## Key facts

Underlying fund size	£655m
Number of holdings	5
Underlying fund launch date	01/01/1971
Portfolio Manager	Garfield Kiff
Benchmark	FTSE All-Share Index
Investment Style	Active / Passive
Sedol code	3169447
Performance Objective	To outperform the benchmark by 0.75% - 1.0% per year (before charges) over rolling 3-year periods.

## Commentary

Concerns about the troubled eurozone and renewed worries about the global economic climate led to a challenging quarter for UK equities. The fund, which dipped modestly over the three months, was slightly behind its benchmark.

The UK Equity Dividend fund performed well, delivering a positive return in an overall falling market. This fund benefited from its focus on high income stocks, with an emphasis on 'defensive' companies that tend to perform well in difficult market conditions, such as utilities and healthcare.

The UK Smaller Companies fund added value, with contributors including natural gas operator Cove Energy and mobile computer firm Psion, which both received takeover bids.

Meanwhile, the UK Equity Growth fund was behind its benchmark, largely because of its light presence in larger, more defensive stocks. These are generally popular with investors during uncertain economic conditions. Nonetheless, the fund benefited from good stock selection in the financial, technology and telecommunications sectors.

Finally, disappointing stock performance held back returns for the Recovery fund, with the main detractors including resource producers and oil exploration firms African Minerals, Gulf Keystone Petroleum and Imagination Technologies. Nevertheless, the manager of this underlying fund is optimistic about the prospects for these holdings over the longer term.

### Past performance of the fund to 29 June 2012

	Quarter	1 Year*	3 Years*	5 Years*
Equity fund	-2.8	-1.5	14.5	1.5
Benchmark	-2.6	-3.1	13.8	0.4

Source: Prudential. \* 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 Equity fund (Series 3)

## Prudential risk rating

### Higher

#### What type of funds are in this risk category?

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.

## What is the risk rating?

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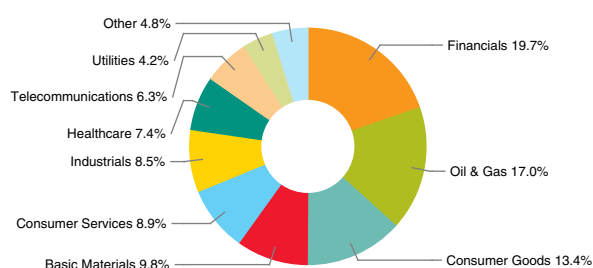
# Prudential UK Equity Passive fund (Series 3)



## Fund description

The investment strategy of the fund is to purchase units in the M&G PP UK Equity Passive Fund. This fund invests in the shares of UK companies. The fund is passively managed tracking movements in its benchmark, the FTSE All-Share Index. Tracking this Index is achieved by the fund replicating the holdings of all the companies which make up the FTSE 100 Index plus holding a carefully modelled stratified sample of the remainder of the companies in the FTSE All-Share Index.

## Fund breakdown



The asset mix is likely to vary in the future.

## Top holdings

%

1	HSBC	6.1
2	Vodafone	5.3
3	BP	4.8
4	Royal Dutch Shell 'A'	4.8
5	GlaxoSmithKline	4.4
6	British American Tobacco	3.8
7	Royal Dutch Shell 'B'	3.5
8	BG	2.6
9	Diageo	2.5
10	Rio Tinto	2.3

The asset mix is likely to vary in the future.

Source: M&G

All figures are as at 29 June 2012, unless otherwise stated.

## Performance

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

	29/06/07 - 30/06/08	30/06/08 - 30/06/09	30/06/09 - 30/06/10	30/06/10 - 30/06/11	30/06/11 - 29/06/12
UK Equity Passive fund	-12.9	-19.6	21.1	25.7	-3.2
Benchmark	-13.0	-20.5	21.1	25.6	-3.1

Past performance of the fund to 29 June 2012

	Quarter	1 Year*	3 Years*	5 Years*
UK Equity Passive fund	-2.7	-3.2	13.8	0.6
Benchmark	-2.6	-3.1	13.8	0.4

Source: Prudential. \* 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	£508m
Number of holdings	524
Underlying fund launch date	04/02/1998
Portfolio Manager	Nigel Booth
Benchmark	FTSE All-Share Index
Investment Style	Passive
Sedol code	3169458
Performance Objective	To match the performance of the benchmark as closely as possible.

## Commentary

The FTSE All-Share Index fell 2.6% in the second quarter of 2012 with investors growing evermore anxious as Europe's debt crisis intensified. The biggest losers were basic materials, mining, technology and banking stocks, while defensive sectors such as utilities and pharmaceuticals made some gains. Bank shares were also pulled down by trading losses at JP Morgan and interbank interest rate fixing charges at Barclays.

The UK was officially back in recession following two consecutive quarters of contraction and the government revised down its prospects for growth. More positively, for consumers, oil prices fell sharply and inflation was down in May to its lowest level since 2009. In the circumstances, there is now greater likelihood that the government would introduce stimulus programmes rather than pursue further austerity measures.

# Prudential UK Equity Passive fund (Series 3)

## Prudential risk rating

### Higher

#### What type of funds are in this risk category?

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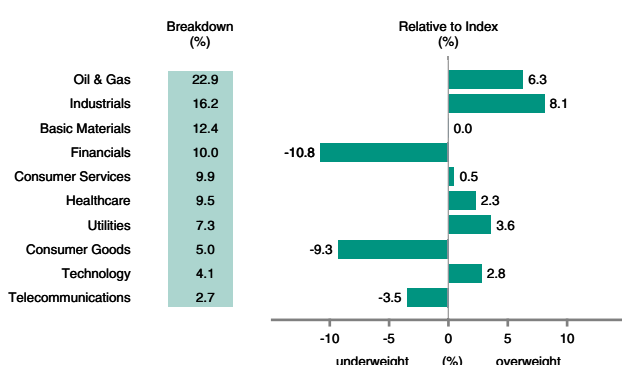
# Prudential UK Specialist Equity fund (Series 3)



## Fund description

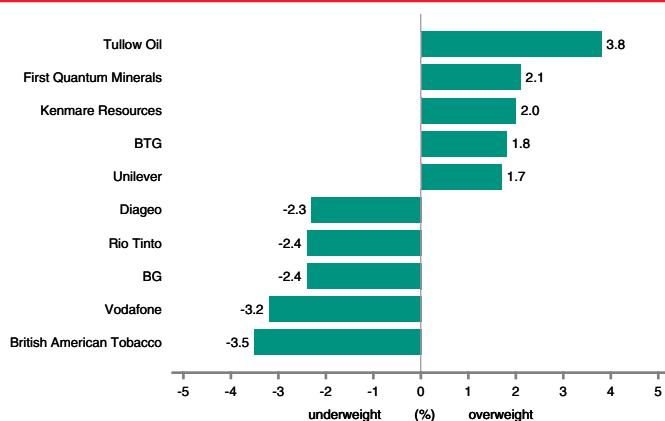
The investment strategy of the fund is to purchase units in the M&G PP Recovery Fund. This fund seeks to invest in companies which are out of favour, in difficulty or whose prospects are not fully recognised by the market and where management is working to turn the business around. The fund invests primarily in the shares of UK listed companies but can also invest a limited amount in the shares of overseas companies and UK government bonds. The fund is actively managed against its benchmark, the FTSE All-Share Index.

## Fund distribution



The asset mix is likely to vary in the future.

## Top 5 over and underweight positions



The asset mix is likely to vary in the future.

Source: M&G

All figures are as at 29 June 2012, unless otherwise stated.

## Key facts

Underlying fund size	£838m
Number of holdings	96
Underlying fund launch date	22/05/2000
Portfolio Manager	Tom Dobell
Benchmark	FTSE All-Share Index
Investment Style	Active
Sedol code	3168433
Performance Objective	To outperform the benchmark by 2.5% per year (before charges) over rolling 3-year periods.

## Commentary

After a good start to the year, investors lost their appetite for risk in the second quarter, unnerved by data suggesting the global economy was stalling and the possibility that the eurozone might break apart. The prospect of lower demand weighed heavily on basic materials producers and oil & gas companies. Conversely, 'defensive' businesses, such as utilities, telecoms and healthcare, whose earnings are less reliant on economic activity, held up better.

Stock selection hampered the fund's returns, with several of the best performers from the first quarter falling heavily. This was especially true among resource producers and oil exploration firms. The main detractors included African Minerals, Gulf Keystone Petroleum and Imagination Technologies - all companies that the fund manager remains hopeful will generate good returns for the fund over the long term.

Although the fund's performance has been frustrating, the manager will continue to follow his proven investment process, taking a long term, patient approach and providing financial support and advice to the turnaround candidates he has identified, if and when it is required.

He remains able to find companies that he believes have been unfairly punished by the market, but whose strategies and management teams should be strong enough to enable them to recover to a healthy position. At the same time, he will, through further investment, back his existing core positions with greater conviction.

## Performance

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

	29/06/07 - 30/06/08	30/06/08 - 30/06/09	30/06/09 - 30/06/10	30/06/10 - 30/06/11	30/06/11 - 29/06/12
UK Specialist Equity fund	-9.1	-14.5	21.5	29.8	-4.1
Benchmark	-13.0	-20.5	21.1	25.6	-3.1

### Past performance of the fund to 29 June 2012

	Quarter	1 Year*	3 Years*	5 Years*
UK Specialist Equity fund	-5.6	-4.1	14.8	3.3
Benchmark	-2.6	-3.1	13.8	0.4

Source: Prudential. \* 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 UK Specialist Equity fund (Series 3)

## Prudential risk rating

### Higher

#### What type of funds are in this risk category?

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.

## What is the risk rating?

- 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 will find this information at [www.pru.co.uk/factsheets](http://www.pru.co.uk/factsheets)
- You should also consider discussing your decision and the appropriateness of a fund's risk rating with an adviser.

## Important information

### 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 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 on this factsheet, then please contact an adviser.

### Can I get advice?

This factsheet should not be considered as financial advice 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 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 manages the funds?

This fund is managed by M&G Investments.

### How are the performance figures calculated?

The performance shown overleaf is measured on the fluctuation of the daily published price. This published price is adjusted to accommodate the fund's dealing cycle where appropriate.

To obtain current unit price and performance information for all funds in the Prudential Fund range, simply log on to [www.pru.co.uk/funds](http://www.pru.co.uk/funds) and choose 'Prudential Corporate Pension Fund Prices' then filter on (Series 3).

### How are the fund prices calculated?

This fund operates on a single swinging price basis, based on the valuation of the underlying assets and cash flows into and out of the fund. This valuation price will be the published price.

### What is the dealing cycle?

This fund is forward priced which means that the member receives the next available unit price after their instruction has been received.

This fund 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.

### Other important information

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

Please note the performance figures shown do not take into account the effect of charges, which can be found in your 'A Guide to Fund Options'.

Asset allocations are regularly reviewed and may vary from time to time, but will always be consistent with the fund objective.

For any fund there may be a delay in buying, selling or switching of units. These delays will only apply in exceptional circumstances and we will let you know if they apply to you. For more information please refer to your policy or scheme documentation.



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