

# 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 **£57.7 billion as at 28 March 2013**

Prudential Financial  
Strength rating\* **AA**

Portfolio Manager **Matthew Williams**

Investment Style **Prudent Active**

Performance Objective To offer competitive long term returns

\* Standard & Poor's as at 25 October 2012

## Commentary

Financial conditions eased somewhat during the first quarter and risk assets moved higher, in spite of sentiment about future economic prospects deteriorating as the quarter progressed.

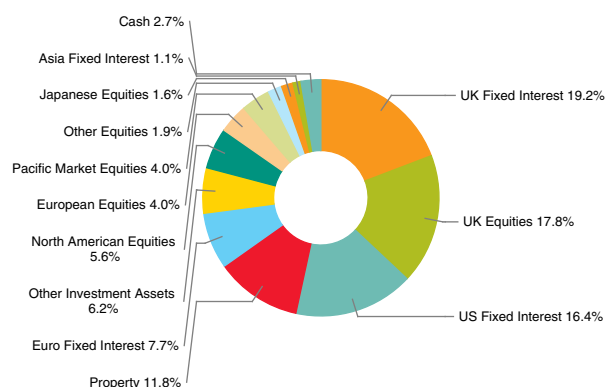
As the latest World Economic Outlook from the International Monetary Fund puts it, "Global economic prospects have improved again, but the road to recovery in the advanced economies will remain bumpy". US policymakers managed to avoid sending their economy down the so-called "fiscal cliff" at the start of the year and some parts of the economy, notably the housing market, have shown surprising strength of late. Europe, including the UK, continues to show progressive weakness in output and demand with even the core countries now affected. And developing economies, while still relatively robust, are slowing from earlier growth rates.

Looking forward, we retain a cautious outlook. In the absence of policy or other financial shock, market valuations remain attractive enough to enable risk premium to narrow somewhat. But growth will still be anaemic and the opportunity for policymakers to call the party off early remains. We expect moderate returns from markets this year and volatility to return at some time.

## 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 28 March 2013

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

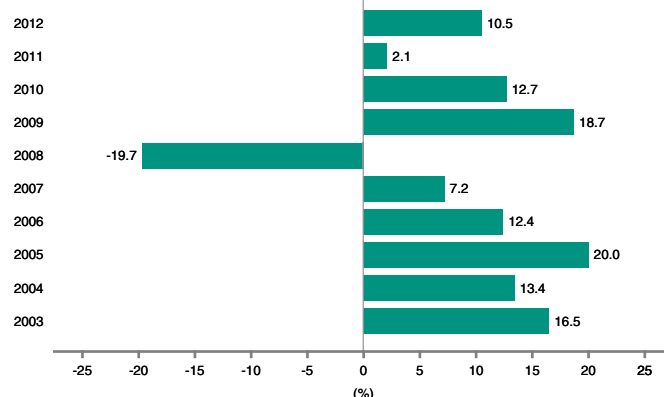
## Prudential risk rating

**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

## 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 2013)

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 2013 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 2013 have passed since the contribution was invested.

Bonus Series	1 Year*	3 Years*	5 Years*	10 Years*
Unitheld L With-Profits Returns	5.30%	5.55%	6.50%	6.55%
Unitheld N With-Profits Returns	5.30%	5.55%	6.50%	6.55%
Cash Accumulation MPP With-Profits Returns	5.30%	5.55%	6.50%	6.55%
Cash Accumulation AVC With-Profits Returns	5.30%	5.55%	6.50%	6.50%

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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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).

## 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.

## 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.

## Performance

	Past Performance to 28 March 2013					
	Quarter 1**	1 Year*	2 Years*	3 Years*	4 Years*	5 Years*
Deposit fund	0.12%	0.50%	0.50%	0.50%	0.50%	1.18%
Benchmark	0.12%	0.50%	0.50%	0.50%	0.50%	1.11%

	12 months to the end of March				
	2009	2010	2011	2012	2013
Deposit fund	3.94%	0.50%	0.50%	0.50%	0.50%
Benchmark	3.62%	0.50%	0.50%	0.50%	0.50%

Source: Prudential. \*Annualised. \*\*This is an annualised rate based on the 3-month deposit rates to 28 March 2013.

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

## 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.

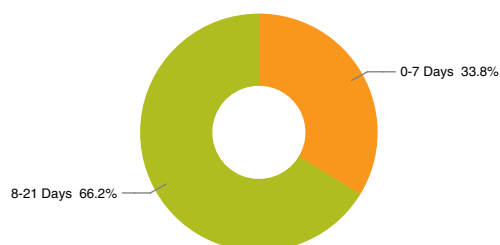
# Prudential Cash fund (Series 3)



## 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	M&G Time Deposits 0.41% 03/04/13	22.8
2	M&G Time Deposits 0.43% 10/04/13	22.2
3	M&G Time Deposits 0.44% 24/04/13	21.6
4	M&G Time Deposits 0.44% 17/04/13	20.6
5	Cash	12.8

The asset mix is likely to vary in the future.

Source: M&G

All figures are as at 28 March 2013, unless otherwise stated.

## Performance

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

	31/03/08 - 31/03/09	31/03/09 - 31/03/10	31/03/10 - 31/03/11	31/03/11 - 30/03/12	30/03/12 - 28/03/13
Cash fund	-1.0	6.1	0.8	0.5	0.4
Benchmark	3.7	0.4	0.5	0.6	0.5

Past performance of the fund to 28 March 2013

	Quarter	1 Year*	3 Years*	5 Years*
Cash fund	0.1	0.4	0.6	1.3
Benchmark	0.1	0.5	0.5	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.

## Key facts

Underlying fund size	£213m
Number of holdings	5
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

Following the ABI's approval of the product as a permitted instrument in the Treasury and Deposit sector, the fund moved into reverse repurchase agreements (or 'reverse repos'), which provide collateral (typically short-term gilts) against cash deposits made by the fund. This was completed in the third quarter of 2012.

As with short-term money market deposits, reverse repos are transacted with banks from M&G's counterparty credit risk panel. At the end of this quarter, the fund's assets remain invested in reverse repos with a maturity of no more than one month.

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

# 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

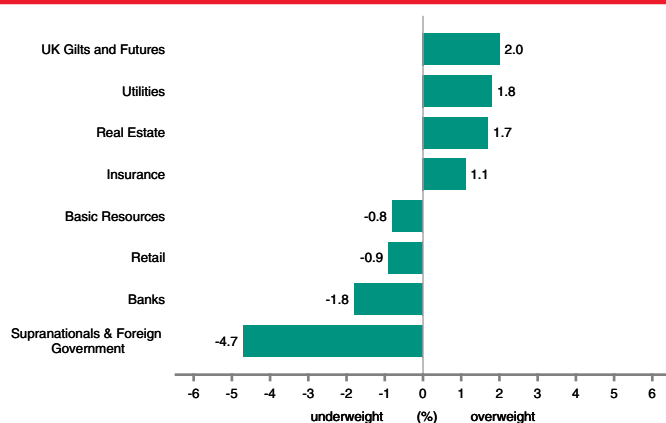
The investment strategy of the fund is to purchase units in the M&G PP All Stocks Corporate Bond Fund. This fund invests mainly in high quality Sterling corporate bonds across the range of maturities. The fund is actively managed against its performance benchmark of the iBoxx Sterling Non-Gilts Index. 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 28 March 2013, unless otherwise stated.

## Key facts

Underlying fund size	£4,748m
Number of holdings	520
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

Credit markets continued to rally during the period, with credit spreads narrowing as investors' risk appetite grew.

During the quarter Moody's downgraded the UK's triple-A rating; whilst this had little effect on UK government bond prices, the spreads on issues guaranteed by the UK government widened.

The fund's performance benefited from an overweight position in credit and an underweight in assets perceived to be safer, such as sovereign and supranational debt. Within credit, high yield securities did particularly well and the fund's stock selection added value.

The rally in credit markets has now gone a long way and the fund manager believes that credit spreads are around fair value. Given the possibility for volatility, he has moved the portfolio closer to the benchmark. The key underweight position at the moment is in supranational debt, where he believes that investors are not being adequately rewarded for the level of risk.

The fund manager has maintained the portfolio's duration close to that of the benchmark. Gilt yields are still benefiting from 'safe haven' status, despite the loss of the country's triple-A status, due to continued quantitative easing by the Bank of England.

## Performance

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

	31/03/08 - 31/03/09	31/03/09 - 31/03/10	31/03/10 - 31/03/11	31/03/11 - 30/03/12	30/03/12 - 28/03/13
Corporate Bond fund	-4.6	24.4	6.1	10.2	13.3
Benchmark	-6.2	20.9	5.2	8.8	12.0

Past performance of the fund to 28 March 2013

	Quarter	1 Year*	3 Years*	5 Years*
Corporate Bond fund	1.9	13.3	9.8	9.5
Benchmark	1.7	12.0	8.6	7.8

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 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?

- › 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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### 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.

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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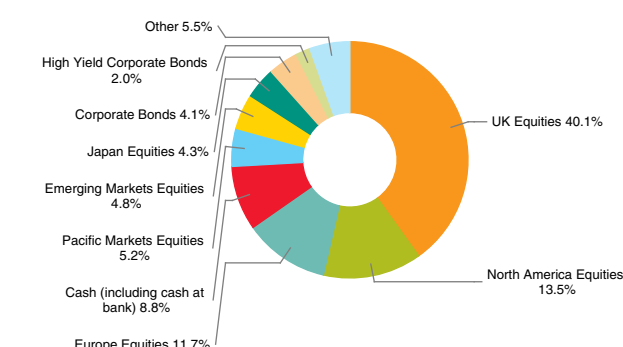
# Prudential Discretionary fund (Series 3)



## Fund description

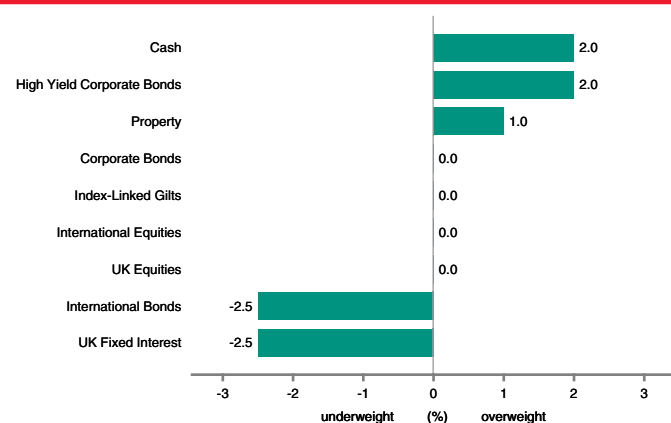
The investment strategy of the fund is to purchase units in the M&G PP Discretionary Fund. This fund aims to provide a traditional balanced approach to investment, holding a mix of UK and overseas shares, bonds, property and cash. The fund is actively managed against its benchmark of the BNY Mellon CAPS 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 28 March 2013, unless otherwise stated.

## Key facts

Underlying fund size	£923m
Number of holdings	14
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

The past three months proved a strong quarter for risk assets with the FTSE World Index up 14.5% in sterling terms.

The main detractor was stock selection, particularly within the equity funds where the UK, Pacific markets and European portions of the portfolio came in behind their respective benchmarks for the quarter.

Bonds, on the other hand, generally produced lower returns than equities, although index-linked bonds delivered 9.3% over the quarter.

In response to equities' strong performance during the quarter, the fund manager took the small long position in the UK and Japan back to neutral. However, concerns over interest rate risks remain and the fund is therefore still short in UK and overseas sovereigns, while it remains long on property, cash and high yield corporate bonds.

The fund manager continues to be generally positive about the global economy, although he thinks there are some major headwinds overall. In particular, risks remain for the eurozone with Cyprus's bailout still unresolved. Elsewhere, Chinese growth appears to be slowing and the US economy is expanding at only a modest rate, though at a greater pace than both the UK and Europe.

## Performance

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

	31/03/08 - 31/03/09	31/03/09 - 31/03/10	31/03/10 - 31/03/11	31/03/11 - 30/03/12	30/03/12 - 28/03/13
Discretionary fund	-18.5	42.6	8.1	2.2	13.0
Benchmark	-20.1	39.8	8.3	0.8	14.4

Past performance of the fund to 28 March 2013

	Quarter	1 Year*	3 Years*	5 Years*
Discretionary fund	8.6	13.0	7.7	7.7
Benchmark	9.6	14.4	7.8	7.4

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?

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.

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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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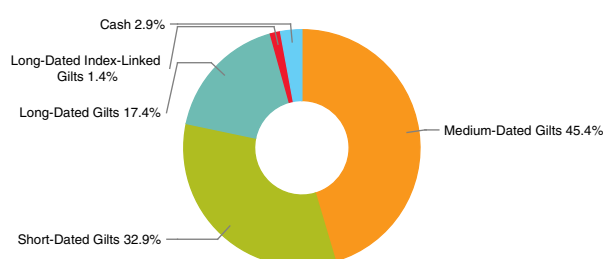
# Prudential Fixed Interest fund (Series 3)



## Fund description

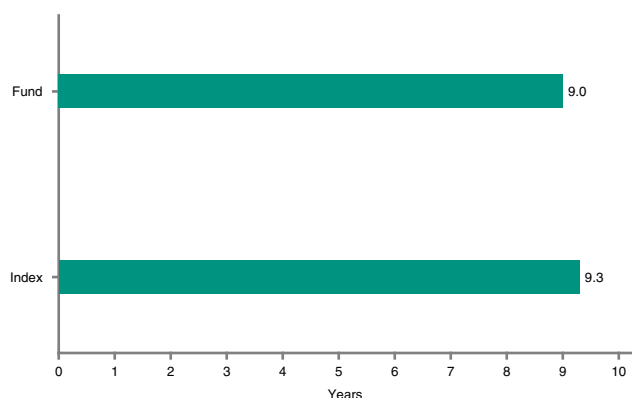
The investment strategy of the fund is to purchase units in the M&G PP Fixed Interest Fund. This fund invests in British government gilts and Sterling corporate bonds issued by UK and overseas borrowers. The fund is actively managed against its benchmark of the FTSE A British Government All Stocks Index. 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 28 March 2013, unless otherwise stated.

## Key facts

Underlying fund size	£110m
Number of holdings	10
Underlying fund launch date	21/04/1971
Portfolio Manager	Miles Tym
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

During the period, ratings agency Moody's downgraded the UK's triple-A status. The decision was not entirely unexpected and had a negligible effect on gilt prices.

Throughout the first three months of 2013, the fund was fully invested and had minimal duration risk relative to the benchmark. Relative value positioning, moving in and out of individual issues when they became richly or cheaply valued relative to the surrounding gilts, benefited the fund.

The UK Debt Management Office has announced that it will be issuing ultra-long gilts and the fund has been underweight in this area in anticipation that prices will fall, but so far this has had a limited impact on returns.

The fund manager believes that the ultra-long area of the market will have to cheapen in order to digest the new supply and remains underweight in these maturities.

He does not think the market is offering significant long-term value, but the turning point in yields may still be a long way off as base rates are likely to stay low for some time. Gilt yields have continued to benefit from their 'safe haven' status and from further quantitative easing by the Bank of England.

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

## Performance

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

	31/03/08 - 31/03/09	31/03/09 - 31/03/10	31/03/10 - 31/03/11	31/03/11 - 30/03/12	30/03/12 - 28/03/13
Fixed Interest fund	5.8	7.5	5.8	15.7	5.2
Benchmark	10.3	0.8	5.2	14.5	5.3

Past performance of the fund to 28 March 2013

	Quarter	1 Year*	3 Years*	5 Years*
Fixed Interest fund	0.9	5.2	8.8	7.9
Benchmark	0.7	5.3	8.2	7.1

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 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?

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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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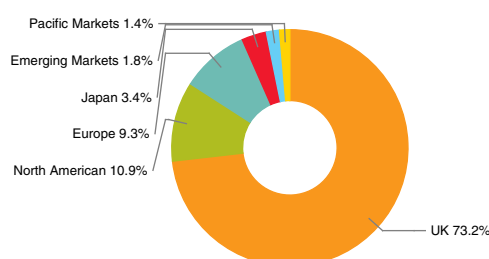
# Prudential Global Equity fund (Series 3)



## Fund description

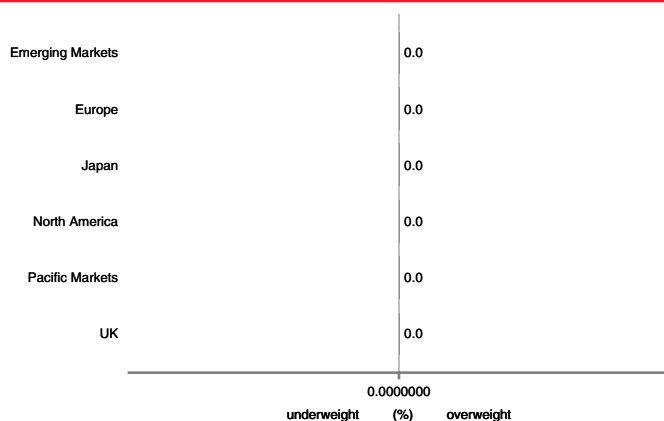
The investment strategy of the fund is to purchase units in the M&G PP Global Equity Fund. This fund invests in the shares of UK and overseas companies. The fund is actively managed with a benchmark of 70% in UK equities and 30% in overseas equities (in the same proportions as the average overseas equity 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 28 March 2013, unless otherwise stated.

## Key facts

Underlying fund size	£231m
Number of holdings	7
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

In a quarter that saw risk assets remain in favour with investors, global equities produced healthy returns. Stock selection in UK equities held back returns, while in North America, emerging markets and Japan, stock picks supported performance.

In the UK, returns were held back by weakness in a number of holdings in the oil & gas sector, while a number of smaller companies added value.

In North America, stock selection in the information technology, financials and consumer discretionary sectors drove performance, while stock picks in Korea and the healthcare and industrials sectors supported returns in the Emerging Markets Fund. Meanwhile, the Japan Fund benefited as investors focused on value stocks.

In the fund manager's opinion, long-term prospects for the global economy remain positive but he prefers to take a cautious stance in the current unsettled environment. The economies of China and the US are still expanding, although the rate is slowing in China and growth is only modest in the US. Meanwhile, the eurozone continues to represent a significant risk, with the bailout of Cyprus as yet unresolved and the overall region beset with high unemployment, fiscal constraints and contracting consumption.

The fund manager believes that equities continue to represent good value, although he does not have any major preference for individual markets. Consequently, he has retained neutral positions across the portfolio.

## Performance

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

	31/03/08 - 31/03/09	31/03/09 - 31/03/10	31/03/10 - 31/03/11	31/03/11 - 30/03/12	30/03/12 - 28/03/13
Global Equity fund	-24.9	50.8	9.8	1.2	17.3
Benchmark	-27.2	51.5	8.6	0.1	16.7

### Past performance of the fund to 28 March 2013

	Quarter	1 Year*	3 Years*	5 Years*
Global Equity fund	11.0	17.3	9.2	8.1
Benchmark	11.0	16.7	8.2	6.9

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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### 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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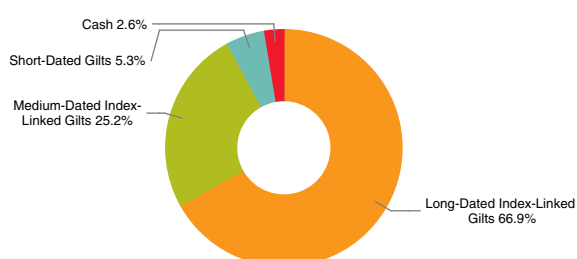
# Prudential Index-Linked fund (Series 3)



## Fund description

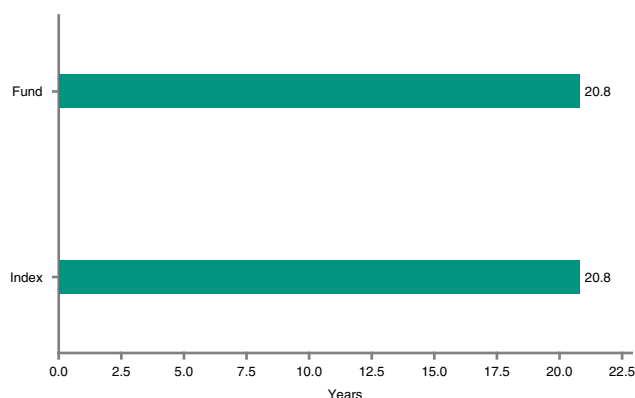
The investment strategy of the fund is to purchase units in the M&G PP Index-Linked Fund. This fund invests mainly in British Government index-linked gilts, typically with over five years to maturity. The fund is actively managed against its benchmark of the FTSE British Government Over 5 Years Index-Linked 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 28 March 2013, unless otherwise stated.

## Key facts

Underlying fund size	£372m
Number of holdings	9
Underlying fund launch date	20/04/1983
Portfolio Manager	Miles Tym
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

At the start of the period, the Office for National Statistics announced that there would be no change in the calculation of the Retail Prices Index, which is the base for index-linked gilts and bonds. The decision resulted in a significant rally in indexed-linked gilts. Ahead of the announcement, the fund had been fully invested and carried minimal duration risk relative to the benchmark.

Relative value positioning, moving the portfolio in and out of individual gilts when they became cheaply or richly valued relative to the surrounding issues, benefited the fund.

In the previous quarter, the UK Debt Management Office (DMO) revealed that it would be issuing gilts up to a maturity of 60 years – an increase in maturity of 10 years over existing bonds. As a result, the fund manager believes 50-year gilts may come under pressure. In addition, he thinks the DMO may increase the issue of shorter dated bonds, that is, 10- and 20-year maturities, to keep the average maturity of the overall market constant. Consequently, he has an overweight position in maturities between 30 and 40 years; where previously there has been oversupply, he now expects an undersupply.

The fund manager remains prepared to act on relative value opportunities along the yield curve. He believes 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 March

	31/03/08 - 31/03/09	31/03/09 - 31/03/10	31/03/10 - 31/03/11	31/03/11 - 30/03/12	30/03/12 - 28/03/13
Index-Linked fund	-5.3	14.8	8.7	23.4	12.8
Benchmark	-2.8	10.4	6.7	21.1	11.7

Past performance of the fund to 28 March 2013

	Quarter	1 Year*	3 Years*	5 Years*
Index-Linked fund	9.4	12.8	14.8	10.5
Benchmark	9.0	11.7	13.0	9.1

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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### What is the dealing cycle?

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### Other important information

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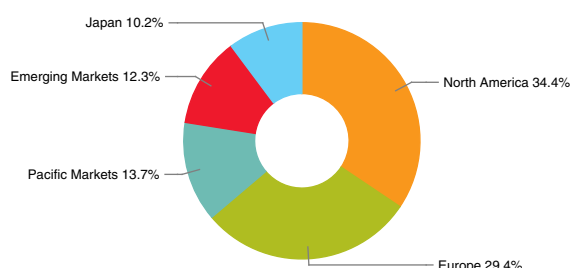
# Prudential International Equity fund (Series 3)



## Fund description

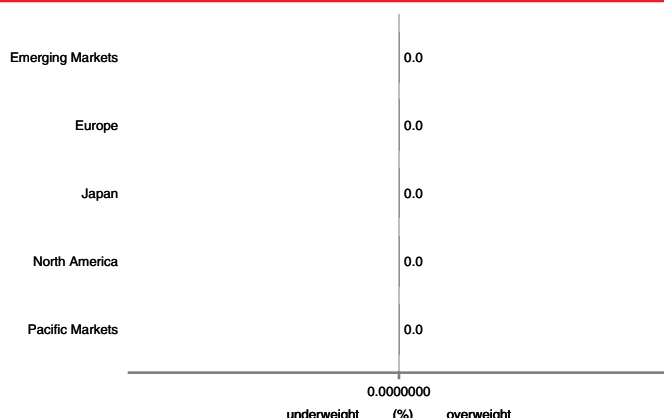
The investment strategy of the fund is to purchase units in the M&G PP International Equity Fund. This fund invests in the shares of companies in all the major overseas equity markets. The fund is actively managed against a benchmark mix of the regional market indices in the same proportions as the average 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 28 March 2013, unless otherwise stated.

## Key facts

Underlying fund size	£88m
Number of holdings	6
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

In an environment that continues to be risk-friendly, international equities produced solid returns. The fund's returns were supported by the underlying Japanese and North American funds, although the Pacific markets and European portions of the portfolio held back performance.

In Japan, the fund's emphasis on value stocks was helpful and a number of technology firms, such as Sony and NEC, were also beneficial. Meanwhile, stockpicking in the North America Fund was advantageous, with contributors coming from the information technology, financials and consumer discretionary sectors. Stock selection in South Korea within Pacific market equities added value, although weakness in the fund's holdings in India and Australia cost some performance.

The fund manager remains generally positive about the global economy, although he is mindful of some major headwinds. The situation in the eurozone remains uncertain and the region is battling high unemployment, fiscal constraints and slowing consumption. Further afield, many Asian economies continue to grow, although Chinese expansion has slowed with its economy held back by a lack of demand in western markets and weak domestic consumption.

The fund manager believes that equities remain attractively valued, but he does not have enough conviction in any individual markets to hold long positions. He has neutral positions across the portfolio as he prefers to take a cautious stance in view of the uncertain outlook.

## Performance

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

	31/03/08 - 31/03/09	31/03/09 - 31/03/10	31/03/10 - 31/03/11	31/03/11 - 30/03/12	30/03/12 - 28/03/13
International Equity fund	-21.1	52.3	7.0	-2.2	16.9
Benchmark	-22.6	49.6	8.1	-3.0	16.4

Past performance of the fund to 28 March 2013

	Quarter	1 Year*	3 Years*	5 Years*
International Equity fund	13.8	16.9	6.9	8.0
Benchmark	12.7	16.4	6.8	7.2

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 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)
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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

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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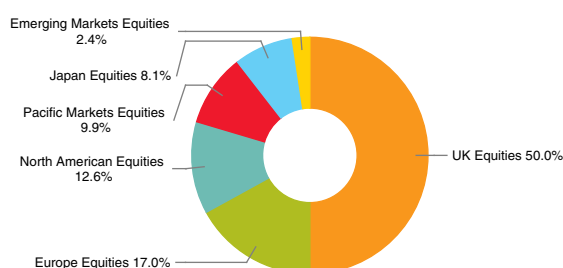
# Prudential Long Term Growth fund (Series 3)



## 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	3.3
2	Vodafone	2.4
3	BP	2.3
4	Royal Dutch Shell 'A'	2.1
5	GlaxoSmithKline	2.0
6	British American Tobacco	1.8
7	Royal Dutch Shell 'B'	1.5
8	Diageo	1.3
9	AstraZeneca	1.1
10	BHP Billiton	1.0

The asset mix is likely to vary in the future.

Source: M&G

All figures are as at 28 March 2013, unless otherwise stated.

## Performance

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

	31/03/08 - 31/03/09	31/03/09 - 31/03/10	31/03/10 - 31/03/11	31/03/11 - 30/03/12	30/03/12 - 28/03/13
Long Term Growth fund	-24.8	51.3	8.4	-0.8	16.1
Benchmark	-25.7	50.7	8.3	-1.0	17.1

## Key facts

Underlying fund size	£187m
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

Global equities opened strongly in 2013, with many leading indices reaching post-financial crisis highs. Following a last-minute deal in the US to head off an immediate budget crisis, and a good start to the US earnings season, shares began to attract investor funds. Better US and Asian economic data and efforts to keep the eurozone intact sustained the rally for most of the quarter. Towards quarter-end, fresh worries about the eurozone's stability caused markets to partially retreat following Cyprus's controversial bailout terms.

UK equities surged to five-year highs during the first quarter. Being heavily weighted by companies with broad international exposure, the index rose on improving global growth prospects. More cyclical sectors, such as technology and industrials, climbed alongside traditionally more stable industries, including telecommunications and food producers. Mining stocks fell on oversupply concerns and ongoing uncertainty over demand.

US shares approached near all-time highs. The recovering housing market, job growth and generally good company profits all pointed to a strengthening economy. European shares underperformed the world average, with modest gains in Germany and France and contagion fears unsettling markets in Spain and Italy. Asian stockmarkets turned in a mixed performance, some benefitting from the pickup in market sentiment. Japan was among the best performers, with the new government's 'pro-growth' monetary and spending policies giving the market an additional boost.

Past performance of the fund to 28 March 2013

	Quarter	1 Year*	3 Years*	5 Years*
Long Term Growth fund	10.7	16.1	7.7	7.3
Benchmark	11.7	17.1	7.9	7.1

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?

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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?

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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'.

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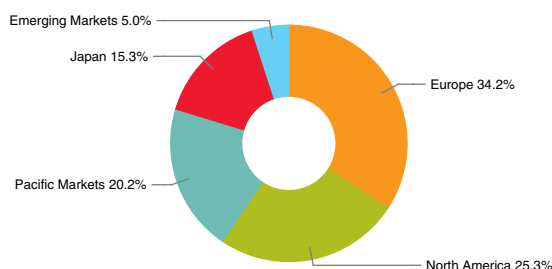
# Prudential Overseas Equity Passive fund (Series 3)



## 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	1.6
2	Novartis	1.1
3	Roche	1.1
4	Samsung Electronics	1.0
5	Sanofi	0.8
6	Toyota Motor	0.8
7	BHP Billiton	0.7
8	Commonwealth Bank of Australia	0.7
9	Lockheed Martin	0.7
10	Westpac Banking	0.7

The asset mix is likely to vary in the future.

Source: M&G

All figures are as at 28 March 2013, unless otherwise stated.

## Performance

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

	31/03/08 - 31/03/09	31/03/09 - 31/03/10	31/03/10 - 31/03/11	31/03/11 - 30/03/12	30/03/12 - 28/03/13
Overseas Equity Passive fund	-21.4	49.5	7.5	-3.1	17.7
Benchmark	-22.0	49.0	7.9	-3.5	17.2

## Key facts

Underlying fund size	£91m
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

Global equities opened strongly in 2013, with many leading indices reaching post-financial crisis highs. Following a last-minute deal in the US to head off an immediate budget crisis, and a good start to the US earnings season, shares began to attract investor funds. Better US and Asian economic data and efforts to keep the eurozone intact sustained the rally for most of the quarter. Towards quarter-end, fresh worries about the eurozone's stability caused markets to partially retreat. Investor anxiety rose following Cyprus's controversial bailout terms, which pushed the burden of paying from taxpayers to private investors.

US shares approached near all-time highs. The recovering housing market, job growth and generally good company profits all pointed to a strengthening economy. European shares underperformed the world average, with modest gains in Germany and France and contagion fears following Cyprus's bank crisis unsettling markets in Spain and Italy.

Asian stockmarkets turned in a mixed performance, with some benefitting from the pickup in market sentiment. Japan was among the best-performing markets, boosted further by the new government's pro-growth monetary and spending policies. The Philippines, Indonesia and Thailand were also among the frontrunners, benefitting too from strong domestic growth. In Thailand, manufacturing has recovered well from the floods of 2011. In contrast, Korea and China's stocks underperformed over fears of loss of competitiveness against Japan, which has profited from the yen's depreciation.

Past performance of the fund to 28 March 2013

	Quarter	1 Year*	3 Years*	5 Years*
Overseas Equity Passive fund	13.2	17.7	7.0	7.6
Benchmark	12.9	17.2	6.9	7.2

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 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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### Who manages the funds?

This fund is managed by M&G Investments.

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### What is the dealing cycle?

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### Other important information

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# 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% STK 07/06/32	4.8
2	UK (Govt of) 4.75% STK 07/12/30	4.5
3	UK (Govt of) 4.5% STK 07/12/42	4.0
4	UK (Govt of) 4.75% STK 07/12/38	3.9
5	UK (Govt of) 4.25% GILT 07/12/40	3.6
6	UK (Govt of) 4.5% BDS 07/09/34	3.6
7	UK (Govt of) 4.25% STK 07/03/36	3.5
8	UK (Govt of) 4.25% STK 07/12/55	3.5
9	UK (Govt of) 6% STK 07/12/28	3.3
10	UK (Govt of) 4.25% STK 07/12/46	3.1

The asset mix is likely to vary in the future.

Source: M&G

All figures are as at 28 March 2013, unless otherwise stated.

## Performance

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

	31/03/08 - 31/03/09	31/03/09 - 31/03/10	31/03/10 - 31/03/11	31/03/11 - 30/03/12	30/03/12 - 28/03/13
Pre-Retirement fund	3.2	11.6	6.8	17.7	10.3
Benchmark	2.1	10.2	6.5	17.4	10.9

## Key facts

Underlying fund size	£74m
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.

The loss of the country's triple-A credit rating from Moody's had little effect on UK government bond prices, which ended the quarter broadly unchanged. A downgrade in itself need not significantly impact borrowing costs, as evidenced by the previous US and France downgrades. As market confidence improved, investors favoured higher yielding corporate bonds. In aggregate, corporates gained 1.7% over the quarter compared with the 0.7% return for the FTSE British Government Fixed All Stocks Index.

With interest rates in the UK already at a record low, the Bank of England has little scope to use conventional means to stimulate the economy. It has already pumped billions into the economy through its bond-buying programme and recently revealed that it is considering more quantitative easing.

Past performance of the fund to 28 March 2013

	Quarter	1 Year*	3 Years*	5 Years*
Pre-Retirement fund	0.0	10.3	11.5	9.8
Benchmark	0.8	10.9	11.5	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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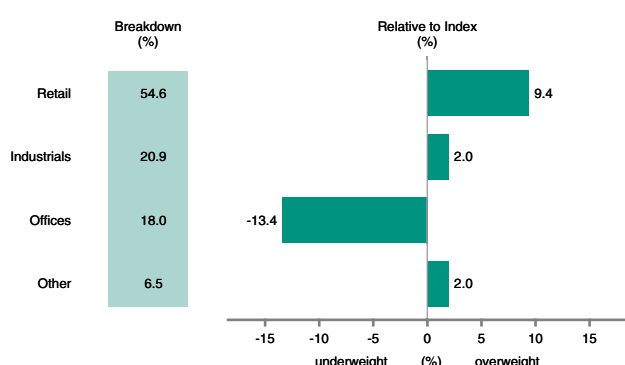
# Prudential Property fund (Series 3)



## Fund description

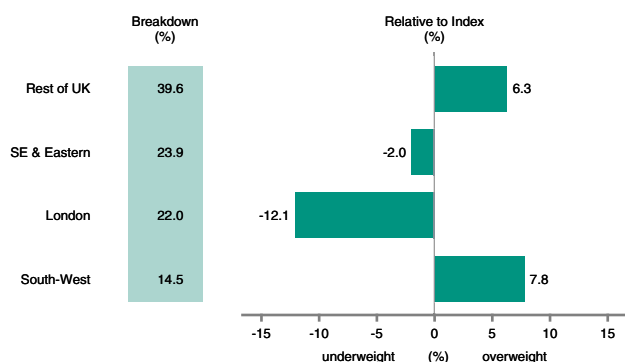
The investment strategy of the fund is to purchase units in the M&G PP Property Fund. This fund invests directly in commercial property in the UK, including retail, office and industrial properties and provides returns through a combination of rental income and capital growth. At times the fund may have 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 December 2012

All figures are as at 28 March 2013, unless otherwise stated.

## Key facts

Underlying fund size	£617m
Number of holdings	67
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 positive over the first quarter, with the return from income offsetting a decline in capital values. In general, the polarisation in demand between prime, defensive assets and more secondary property continued but with some early signs that investors are starting to become less risk averse.

The fund strategy remains focused on income as the core component of total return, actively managing the portfolio to protect and enhance value, and undertaking purchases and sales perceived to be mis-priced by the market.

The fund acquired an office in Hammersmith. The investment provides an attractive income yield with the opportunity for rental growth. Longer-term, the building has retail and residential re-development potential.

The sale of an office in London WC1 was completed at a price significantly ahead of its year end valuation. The sale of a shop in Bromley also completed, again at a premium to book value.

## Performance

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

	31/03/08 - 31/03/09	31/03/09 - 31/03/10	31/03/10 - 31/03/11	31/03/11 - 30/03/12	30/03/12 - 28/03/13
Property fund	-23.0	13.5	8.2	6.3	-5.4
Benchmark	-27.1	11.7	9.1	5.7	0.3

Past performance of the fund to 28 March 2013

	Quarter	1 Year*	3 Years*	5 Years*
Property fund	1.1	-5.4	2.8	-1.0
Benchmark	0.8	0.3	4.7	-1.4

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 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

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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.

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# Prudential Socially Responsible fund (Series 3)

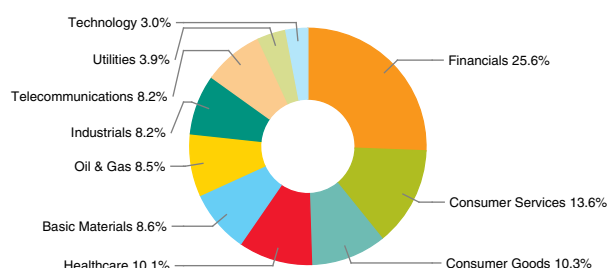


## Fund description

The investment strategy of the fund is to purchase units in the M&G PP Light Green Fund. This fund aims to invest in the shares of UK companies which demonstrate good environmental, social and governance policies.

The fund is actively managed against its benchmark, the FTSE4Good UK Equity Index, which is limited to those companies in the FTSE All-Share Index which meet set ethical criteria. The fund's investments will generally be limited to those stocks that comprise the benchmark.

## Fund breakdown



The asset mix is likely to vary in the future.

## Top holdings

	%
1 HSBC	6.5
2 Royal Dutch Shell 'B'	6.5
3 Vodafone	5.5
4 GlaxoSmithKline	4.7
5 Diageo	3.9
6 Standard Chartered	3.9
7 Rio Tinto	3.8
8 BHP Billiton	3.5
9 Tesco	2.8
10 Centrica	2.3

The asset mix is likely to vary in the future.

Source: M&G

All figures are as at 28 March 2013, unless otherwise stated.

## Performance

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

	31/03/08 - 31/03/09	31/03/09 - 31/03/10	31/03/10 - 31/03/11	31/03/11 - 30/03/12	30/03/12 - 28/03/13
Socially Responsible fund	-41.0	56.6	4.8	-1.0	21.9
Benchmark	-38.9	58.2	9.1	1.6	21.9

## Key facts

Underlying fund size	£32m
Number of holdings	61
Underlying fund launch date	08/12/1999
Portfolio Manager	Richard O'Connor
Benchmark	FTSE4Good UK Equity Index
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 performed strongly in the first quarter, in common with many stockmarkets globally, as investors rotated out of perceived 'safe' assets, such as government bonds, and into equities.

House builder Bovis Homes and investment product provider Hargreaves Lansdown adding value. Bovis reported results for 2012 which revealed a strong increase in sales and a rise in average selling price over the previous year; Hargreaves announced that first-half results were boosted by rising stockmarkets and solid net inflows.

The fund's positions in mining company Rio Tinto and RSA Insurance detracted from performance. Rio Tinto swung into a full-year loss as it wrote down the value of its aluminium and coal businesses; meanwhile RSA slashed its dividend by 33% due to lower investment returns.

Activity during the quarter was minimal; additions were made to holdings in Barclays, HSBC and BT. As a result, there was a small increase in the fund's relative weighting in financials and telecommunication services respectively.

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 which are more sensitive to economic activity.

Past performance of the fund to 28 March 2013

	Quarter	1 Year*	3 Years*	5 Years*
Socially Responsible fund	10.6	21.9	8.1	3.2
Benchmark	10.6	21.9	10.7	6.0

Source: Prudential. \* annualised

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# 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?

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### Other important information

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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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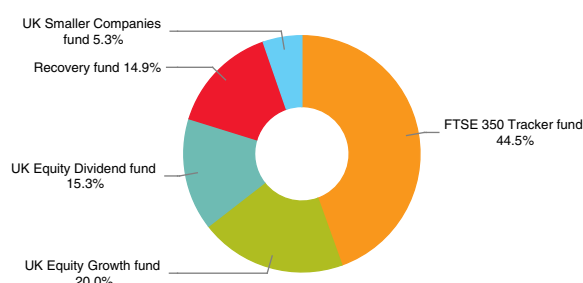
# Prudential Equity fund (Series 3)



## Fund description

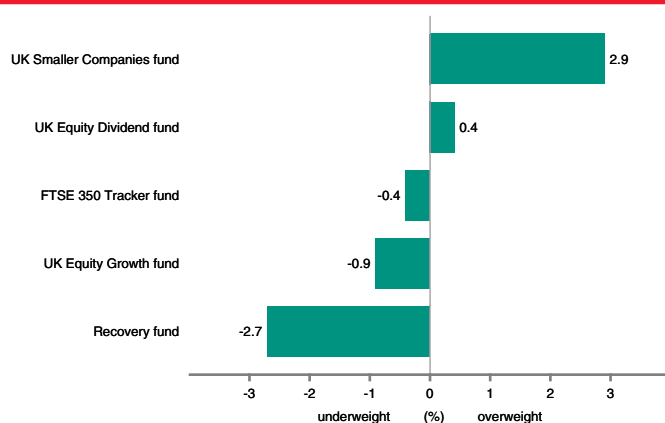
The investment strategy of the fund is to purchase units in the M&G PP UK Equity Fund. This fund invests in the shares of UK Companies. The fund is actively managed against its benchmark, the FTSE All-Share Index. The fund is a "fund of funds" holding units in several more specialised UK equity funds 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 28 March 2013, unless otherwise stated.

## Performance

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

	31/03/08 - 31/03/09	31/03/09 - 31/03/10	31/03/10 - 31/03/11	31/03/11 - 30/03/12	30/03/12 - 28/03/13
Equity fund	-26.5	48.7	10.8	4.0	15.9
Benchmark	-29.3	52.3	8.7	1.4	16.8

Past performance of the fund to 28 March 2013

	Quarter	1 Year*	3 Years*	5 Years*
Equity fund	10.0	15.9	10.1	7.9
Benchmark	10.3	16.8	8.8	6.7

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	£731m
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

The UK stockmarket produced robust returns during the quarter as Investors maintained their risk appetite.

In terms of the underlying funds, the UK Equity Dividend Fund was slightly ahead of its benchmark, with the fund benefiting from an overweight exposure to the healthcare and telecommunications sectors. A tilt towards mid-caps, mainly through the fund's presence in the industrials sector, was also helpful.

Meanwhile, the UK Equity Growth Fund produced a solid return in absolute terms, although it was behind its benchmark. Detractors to performance included insurer RSA, after a surprise cut in its dividend, while positive contributions came from the fund's financials and technology positions.

Elsewhere, the Recovery Fund underperformed its benchmark, with returns held back mainly by weakness in a number of holdings in the oil & gas sector. For example, African Petroleum fell following inconclusive drilling reports.

More positively, the UK Smaller Companies Fund delivered a strong return and was ahead of its benchmark. Contributors to performance included Xaar, the leading global supplier of digital inkjet print heads, and virtual queuing system provider Lo-Q, on the back of robust financial results.



# 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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### How are the performance figures calculated?

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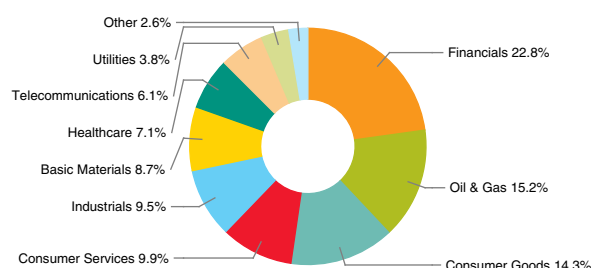
# Prudential UK Equity Passive fund (Series 3)



## Fund description

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

## Fund breakdown



The asset mix is likely to vary in the future.

## Top holdings

	%
1 HSBC	6.7
2 Vodafone	4.7
3 BP	4.5
4 Royal Dutch Shell 'A'	4.2
5 GlaxoSmithKline	3.9
6 British American Tobacco	3.5
7 Royal Dutch Shell 'B'	3.0
8 Diageo	2.7
9 AstraZeneca	2.1
10 BHP Billiton	2.1

The asset mix is likely to vary in the future.

Source: M&G

All figures are as at 28 March 2013, unless otherwise stated.

## Performance

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

	31/03/08 - 31/03/09	31/03/09 - 31/03/10	31/03/10 - 31/03/11	31/03/11 - 30/03/12	30/03/12 - 28/03/13
UK Equity Passive fund	-28.7	53.0	8.8	1.4	16.5
Benchmark	-29.3	52.3	8.7	1.4	16.8

## Key facts

Underlying fund size	£420m
Number of holdings	511
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

UK equities surged to five-year highs during the first quarter, with the FTSE All-Share Index gaining 10.3%. Being heavily weighted by companies with broad international exposure, the index rose on improving global growth prospects. More cyclical sectors, such as technology and industrials, climbed alongside traditionally more stable industries, including telecommunications and food producers. Mining stocks fell on oversupply concerns and on going uncertainty over demand.

Exports failed to lift the economy, however, which contracted 0.3% quarter-on-quarter in the final three months of 2012. With the growth outlook and debt burden worsening, the UK lost its triple-A credit rating from Moody's and sterling fell significantly. The Office of Budget Responsibility halved the UK's growth forecast to 0.6% for this year, while the government stated it intends to keep to its austerity programme.

Past performance of the fund to 28 March 2013

	Quarter	1 Year*	3 Years*	5 Years*
UK Equity Passive fund	10.0	16.5	8.7	7.0
Benchmark	10.3	16.8	8.8	6.7

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 Equity Passive fund (Series 3)

## Prudential risk rating

### Higher

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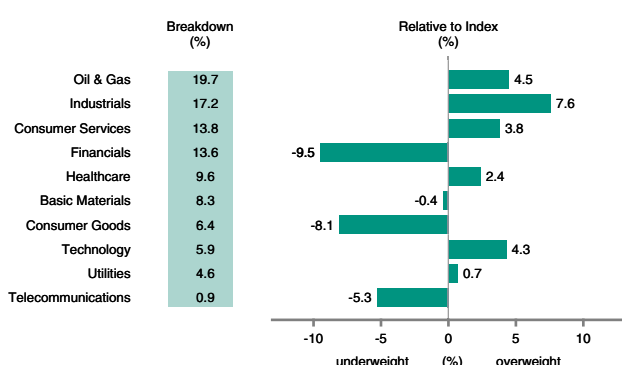
# Prudential UK Specialist Equity fund (Series 3)



## Fund description

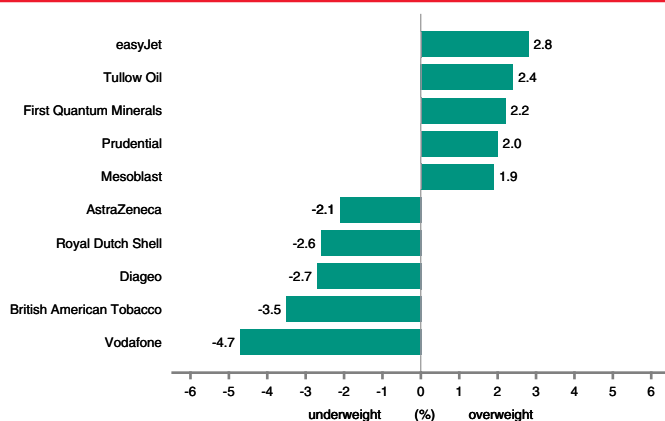
The investment strategy of the fund is to purchase units in the M&G PP Recovery Fund. This fund seeks to invest in companies which are out of favour, in difficulty or whose prospects are not fully recognised by the market and where management is working to turn the business around. The fund invests primarily 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 28 March 2013, unless otherwise stated.

## Key facts

Underlying fund size	£882m
Number of holdings	92
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

Equity markets were generally positive during the first quarter of 2013, with strong rallies sparked by an agreement by US politicians that averted the 'fiscal cliff' that might have hampered recovery. Better economic data from the US also encouraged investors, although growth in the UK and Europe remained elusive.

Among the largest detractors to performance was African Petroleum, which had generated strong returns in 2012. The stock fell sharply in the first quarter following some inconclusive drilling reports. In the same sector, Indus Gas and Tullow Oil also weighed on the fund.

Although recent performance has been somewhat disappointing, the fund manager remains committed to his long-term investment approach. While this strategy can be tested during periods when markets are driven by economic concerns and changes in sentiment, he feels certain that it would be a mistake to alter it in an attempt to chase short-term returns.

The fund manager is convinced there is a tremendous amount of latent value within the portfolio. If this value comes to be recognised by the broader market, he would expect to see significant share price improvement, which could be rewarding for his long-term investors.

## Performance

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

	31/03/08 - 31/03/09	31/03/09 - 31/03/10	31/03/10 - 31/03/11	31/03/11 - 30/03/12	30/03/12 - 28/03/13
UK Specialist Equity fund	-25.3	57.7	13.5	3.8	8.4
Benchmark	-29.3	52.3	8.7	1.4	16.8

Past performance of the fund to 28 March 2013

	Quarter	1 Year*	3 Years*	5 Years*
UK Specialist Equity fund	7.8	8.4	8.5	8.5
Benchmark	10.3	16.8	8.8	6.7

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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