

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.

Key facts

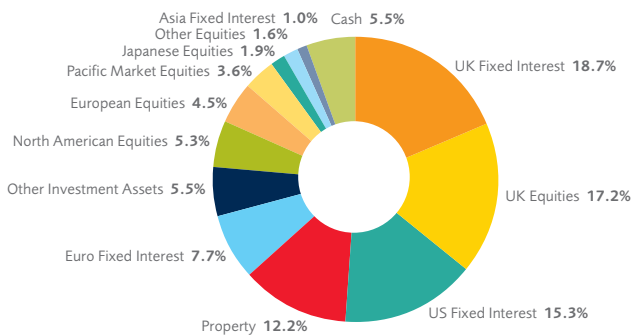
Fund size	£55.2 billion as at 30 March 2012
Prudential Financial Strength rating *	AA
Portfolio Manager	Martin Brookes
Investment Style	Prudent Active
Performance Objective	To offer competitive long term returns

* Standard & Poor's as at September 2011

Fund description

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

Fund breakdown



Source: Prudential as at 30 March 2012

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

Prudential risk rating

Lower to Medium

What is the risk rating?

These risk ratings have been developed by Prudential to help provide an indication of a fund's potential level of risk and reward based on the type of assets which may be held by the fund. Other companies may use different descriptions and as such these risk ratings should not be considered as generic across the fund management industry.

We regularly review our fund risk ratings, so they may change in the future. If, in our view, there is a material change in the fund's level of risk,

Commentary

The first quarter saw a significant improvement in sentiment driven by better data from the US and the injection of EUR 1 trillion into the European banking system by the European Central Bank (ECB). Equities rallied and bond prices fell and briefly it looked like things were getting better.

Some of this enthusiasm is understandable. With the focus on austerity the ECB support is good news and may well have prevented the collapse of a number of banks and perhaps even sovereign states. This is the kind of aggressive policy response we think is necessary to avoid an EU breakup. However this doesn't solve more deep seated solvency problems and more needs to be done to generate growth by the stronger countries. Outside of Europe we remain more upbeat. US momentum is good but not especially robust. A weaker Europe, higher oil prices and the likelihood of some fiscal tightening after the election means we need to monitor events closely.

We remain more positive on the outlook for Asia where recent concerns about inflation have been mitigated with a modest slowdown. Medium term expectations have been reduced but Asia still looks capable of delivering between 6%-7% annual GDP growth over the next 2 years. Our base case is that the situation in Europe will stay serious but a combination of central bank support, a solid growth picture in Asia and strong corporate finances should be enough to ensure a 'muddle through' for the global economy over the next 5 years. Growth in the west will remain below trend but we do not expect another recession. However the flight-path will not be smooth and phases of better or worse than expected news and periodic panics about debt will keep markets volatile.

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.

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

You should also consider discussing your decision and the appropriateness of a fund's risk rating with an adviser.

Prudential With-Profits fund

Performance (applicable from 6 April 2012)

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

The performance figures shown are the average 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 returns shown, it is assumed that 1, 3, 5 or 10 scheme revision dates have passed since the contribution was invested and that the contribution is realised in the scheme year ending on or after 15 March 2012.

Bonus Series	1 Year*	3 Years*	5 Years*	10 Years*
Cash Accumulation Defined Benefit	4.00%	5.75%	3.45%	5.00%

Source: Prudential. * average 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.

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 With-Profits 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 and advisers of schemes using the Prudential Cash Accumulation Defined Benefit contract. 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.



www.pru.co.uk