

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

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

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.

Can I get advice?

This factsheet should not be considered as a financial promotion and any changes to investment arrangements should be discussed with an adviser. 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 30 June 2010					
	Quarter 2**	1 Year*	2 Years*	3 Years*	4 Years*	5 Years*
Deposit fund	0.50%	0.50%	1.64%	2.91%	3.42%	3.64%
Benchmark	0.50%	0.50%	1.49%	2.80%	3.35%	3.58%

	12 months to the end of June				
	2010	2009	2008	2007	2006
Deposit fund	0.50%	2.79%	5.49%	4.98%	4.54%
Benchmark	0.50%	2.48%	5.47%	5.02%	4.52%

Source: Prudential. *Annualised. **This is an annualised rate based on the 3 month deposit rates to 30 June 2010 in order to help comparisons with building societies.

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.