

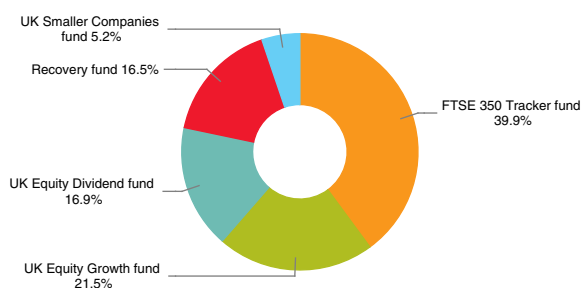
Prudential Equity fund (Series 1)



Fund description

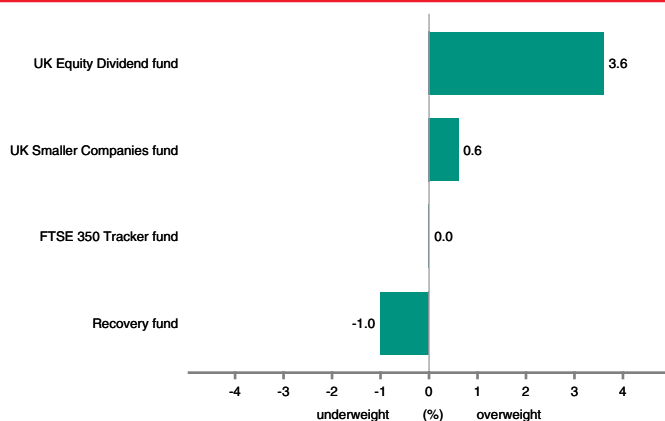
The investment strategy of the fund is to purchase units in the M&G PP UK Equity Fund. This fund invests in the shares of UK Companies. The fund is actively managed against its benchmark, the FTSE All-Share Index. The fund is a "fund of funds" holding units in several more specialised UK equity funds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



The asset mix is likely to vary in the future.

Source: M&G

All figures are as at 30 September 2011, unless otherwise stated.

Performance

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

	30/09/06 - 30/09/07	30/09/07 - 30/09/08	30/09/08 - 30/09/09	30/09/09 - 30/09/10	30/09/10 - 30/09/11
Equity fund	8.9	-20.7	11.5	10.4	-3.0
Benchmark	12.2	-22.3	10.8	12.5	-4.4

Key facts

Underlying fund size	£607m
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	702265
Performance Objective	To outperform the benchmark by 0.75% - 1.0% per year (before charges) over rolling 3-year periods.

Commentary

In a challenging period for investors, sentiment was dampened by the prospect of another global recession. In this environment, the fund fell over the three months, although it was ahead of its benchmark.

Of the underlying funds, performance was led by the UK Equity Dividend fund. In difficult market conditions, the fund benefited from its emphasis on higher income-paying stocks. A healthy presence in food producers, healthcare, utilities, telecommunications and tobacco stocks was useful, as was a relatively light position in banks and mining stocks.

Turning to the UK Smaller Companies fund, performance was boosted by a position in internet services provider Group NBT. The company gained on the back of the news that it would be acquired by private equity investor HgCapital at a significant premium.

For the UK Equity Growth fund, detractors included companies that are most reliant on economic growth, for example, miners Rio Tinto and Anglo American.

An overweight position in basic materials in the Recovery fund held back returns due to their sensitivity to the economic climate. Nevertheless, this was partly offset by good stock selection in the sector, with South African company AngloGold Ashanti adding particular value.

Past performance of the fund to 30 September 2011

	Quarter	1 Year*	3 Years*	5 Years*
Equity fund	-13.4	-3.0	6.1	0.6
Benchmark	-13.5	-4.4	6.0	0.8

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 Equity fund (Series 1)

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
- › 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 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 and choose 'Prudential Corporate Pension Fund Prices' then filter on (Series 1).

How are the fund prices calculated?

This fund has both an offer and a bid price, based on the valuation of the underlying assets of the fund and which typically differs by 5%. Your contributions are used to buy units at the offer price. Your benefits are realised by selling units at the bid price.

What is the dealing cycle?

This fund is historic priced which means that the unit price is set before money is invested.

This fund has a dealing cycle of T-1. This means that the money received on day T buys units at the valuation date price applicable 1 day earlier.

Other important information

Please note the performance figures shown take into account the effect of the Annual Management Charge (AMC).

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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