

Prudential Aberdeen Life North American Equity fund (series 3)



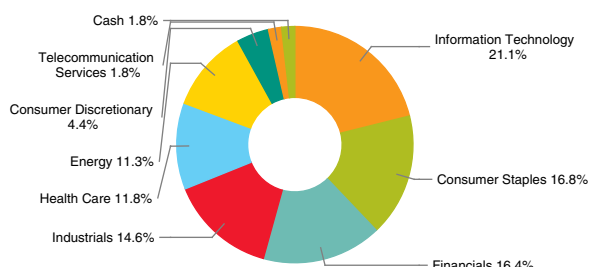
Fund description

The North American Equity fund is actively managed and provides exposure to mainly US and Canadian equities. It aims to outperform its benchmark which is calculated using index returns.

Key facts

Underlying fund size	£45m
Number of holdings	58
Underlying fund launch date	20/04/2001
Portfolio Manager	Paul Atkinson
Benchmark	FTSE All World North America Index
Investment Style	Active Pragmatic / Balanced
Sedol code	3168381
Performance Objective	+1% per annum over rolling 3 year periods

Fund breakdown



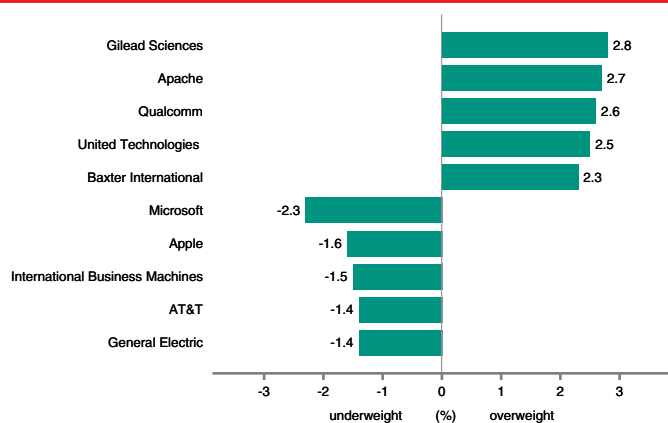
Commentary

The S&P 500 Index moved higher in the fourth quarter of 2009 and posted its largest calendar year gain since 2003, as the economy showed signs of stabilisation. The US dollar strengthened late in the quarter amid expectations that domestic interest rates will rise as the economy continues to improve.

Third quarter GDP expanded for the first time in a year, as government incentives boosted consumer spending, particularly for automobiles. Corporate earnings generally exceeded expectations, as companies began to benefit from the substantial cost cuts that they implemented earlier in 2009. Additionally, demand broadly improved from depressed levels witnessed earlier in the year.

During the quarter, we continued to build positions in healthcare company Baxter International and industrial gas company Praxair, as we became more comfortable with their outlooks. We also added to security software provider McAfee and diversified financial State Street following a period of stock price weakness. We sold our position in homebuilder Toll Brothers. We believe the company and housing market have already benefited from government stimulus measures but going forward, the underlying picture remains challenging. We reduced several holdings after a period of strong performance, including outsourcing and consulting company Cognizant Technology Solutions and energy producer EOG Resources.

Top 5 over and underweight



Source: Aberdeen Asset Managers. All figures are as at 31 December 2009, unless otherwise stated.

Performance

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

	31/12/08 - 31/12/09	31/12/07 - 31/12/08	31/12/06 - 31/12/07	31/12/05 - 31/12/06	31/12/04 - 31/12/05
Aberdeen Life North American Equity fund	20.2	-9.6	9.4	4.4	21.0
Benchmark	14.8	-13.3	5.6	1.7	20.2

Past performance of the fund to 31 December 2009

	Quarter	1 Year*	3 Years*	5 Years*
Aberdeen Life North American Equity fund	5.7	20.2	6.0	8.5
Benchmark	4.8	14.8	1.7	5.1

Source: Prudential and Financial Express. * 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.

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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?

- Risk ratings have been developed by Prudential to help provide an indication of the potential level of risk and reward that is attributable to a fund based on the type of assets which may be held within 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.
- Prudential will keep the risk ratings under regular review and as such they may be subject to change in the future. We therefore recommend that before making any fund choice in the future you understand the appropriate risk rating before making a decision. You will find this information at www.pru.co.uk.
- You should also consider discussing your decision and the appropriateness of this 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 shed some light on 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 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. 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 Aberdeen Life, a member of the Aberdeen Asset Management group of companies.

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 <http://www.pru.co.uk/funds/series/> and choose 'Pension Funds' and then select Prudential Corporate Pensions (Series 3).

How are the fund prices calculated?

This fund has a single price, 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?

The Pensions Series 3 fund range is forward priced which means that the member gets the next available price after they invest.

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

Other important information

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

Retirement has more potential with

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