

Prudential Aberdeen Life UK Equity fund (series 3)



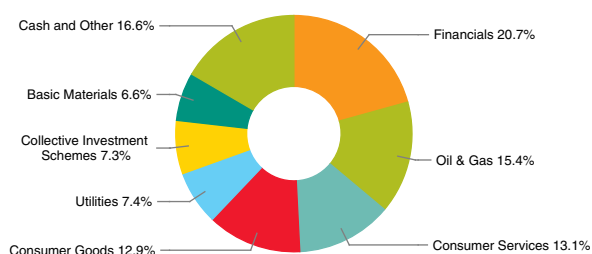
Fund description

The UK Equity fund is actively managed and provides exposure to UK equities. It aims to outperform its benchmark which is currently calculated using index returns.

Key facts

Underlying fund size	£459m
Number of holdings	45
Underlying fund launch date	20/04/2001
Portfolio Manager	Jeremy Whitley
Benchmark	FTSE All-Share Index
Investment Style	Active Pragmatic/Balanced
Sedol code	3168422
Performance Objective	+1% per annum over rolling 3 year periods

Fund breakdown



Commentary

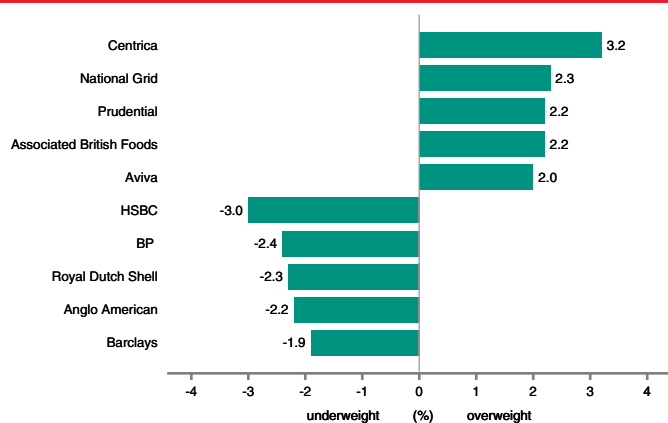
The FTSE All-Share Index rose more than 5% in the fourth quarter, as resilient corporate earnings and optimism over the global recovery boosted sentiment. This was despite concerns over the country's deteriorating fiscal health.

Surprisingly negative third-quarter GDP data confirmed the UK was the only G-7 country still in recession. Services sector output expanded less than expected, while industrial production was flat. Retail sales fell but housing sentiment improved. The Bank of England kept interest rates unchanged. In the pre-Budget report, an unexpected 50% tax on bankers' bonuses was imposed although there were few details on reducing the record deficit.

In portfolio activity, we introduced oil services company John Wood Group and aerospace and defence engineering group Cobham on valuation grounds, given their market positions, appealing long-term prospects and sound balance sheets.

Conversely, we sold Marks & Spencer and Tomkins, in view of more attractive opportunities elsewhere. We also pared our position in Diageo.

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 UK Equity fund	30.3	-32.6	3.0	20.6	21.0
Benchmark	30.1	-29.9	5.3	16.8	22.0

Past performance of the fund to 31 December 2009

	Quarter	1 Year*	3 Years*	5 Years*
Aberdeen Life UK Equity fund	4.2	30.3	-3.3	5.7
Benchmark	5.5	30.1	-1.3	6.5

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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