

Prudential BGI Ascent US Equity fund (series 3)

BARCLAYS GLOBAL INVESTORS

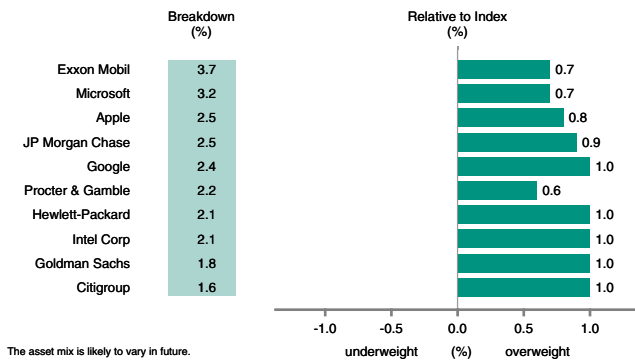
Fund description

This fund invests in the shares of US companies and aims to achieve returns that are 1% or more per year above the FTSE All-World USA Index whilst aiming to control risks and costs.

Key facts

Underlying fund size	£799m
Number of holdings	451
Underlying fund launch date	01/06/1999
Portfolio Manager	Team Approach
Benchmark	FTSE All-World USA Index
Investment Style	Active Quantitative
Sedol code	3420111
Performance Objective	+ 1 % per annum over rolling 3 year periods

Largest holdings

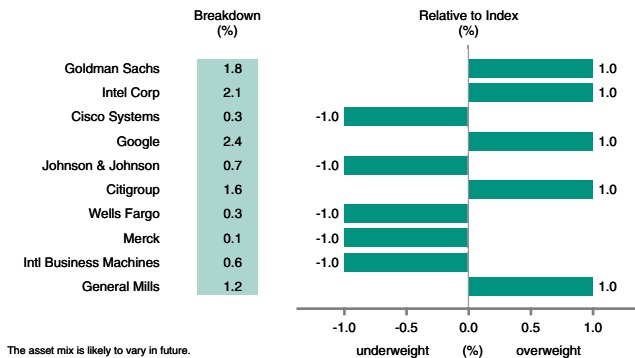


Commentary

As for much of 2009 our quality insights which follow improvements in underlying company fundamentals were unrewarded. With risk appetite remaining high, companies that exhibited improving cash flow and productivity were overlooked for higher risk opportunities. After performing well to September, our value signals have struggled since. The value opportunities highlighted by the third quarter reporting season have not been a focus for investors, as they look to those companies best positioned to grow in the economic recovery. Sentiment made a broadly flat contribution, despite the signals based on sell-side analyst opinions and metrics that focus on the inter-company business relationships detracting.

One of the largest detractors to relative performance was our overweight in teen retailer Aeropostale, which fell almost 22%. The company, which has more than 900 stores across the US saw some store sales rise only 3% in October, significantly below consensus estimates of 14%. This was a setback for the retailer which has outperformed competitors during the recession by offering t-shirts and jeans at discounted prices. Positive sentiment and quality scores drove the overweight. The fund's largest positive contributor to relative performance was an overweight in search giant Google. Google rose 25% in the fourth quarter after reporting Q3 profit and sales that beat analysts' estimates after the recovering economy boosted demand for online adverts and e-commerce.

Largest active position vs benchmark



Source: BGI
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
BGI Ascent US Equity fund	11.8	-11.9	-1.7	1.6	23.3
Benchmark	13.2	-12.5	4.2	1.5	18.8

Past performance of the fund to 31 December 2009

	Quarter	1 Year*	3 Years*	5 Years*
BGI Ascent US Equity fund	4.6	11.8	-1.1	3.9
Benchmark	5.0	13.2	1.1	4.5

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 Barclays Global Investors, a subsidiary of Barclays Bank plc

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?

Funds managed by BGI have a dealing cycle of T+2. This means that money received on day T buys units at the valuation date price applicable at close of business 2 days later.

Other important information

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

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