

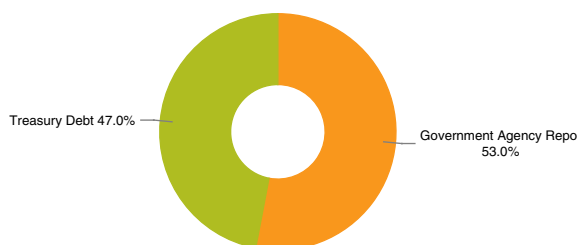
Prudential BlackRock Aquila Sterling Government Liquidity fund (Series 3)

BLACKROCK

Fund description

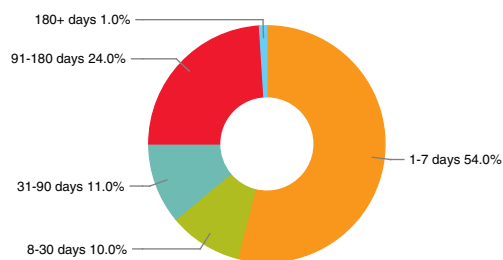
The investment strategy of the fund is to purchase units in the BlackRock Aquila Sterling Government Liquidity Fund. This fund aims to achieve an investment return that is in line with short term government interest rate returns while maintaining a high degree of liquidity and security by investing in a diversified portfolio of money market instruments and transferable securities issued by sovereign governments, primarily the UK government.

Fund breakdown



The asset mix is likely to vary in the future.

Maturity distribution of fund



The asset mix is likely to vary in the future.

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

Key facts

Underlying fund size	£45m
Number of holdings	23
Underlying fund launch date	20/02/2009
Portfolio Manager	Team Approach
Benchmark	LIBID Overnight
Investment Style	Active
Sedol code	B3L5639
Performance Objective	Managed primarily for security and liquidity rather than outperforming a benchmark.

Commentary

The Monetary Policy Committee (MPC) voted to keep interest rates and quantitative easing unchanged at 0.50% and £200bn respectively through the quarter. A break in the split voting pattern of previous months occurred in August when the vote was unanimously taken for the first time since May 2010.

However, as we moved through the quarter, the dovish shift in the tone of the minutes as well as at the time of the Inflation Report was evident. The Committee acknowledged the weaker data both domestically and globally as well as the "substantial" risks posed by sovereign and banking issues in the euro area which could result in the need for further quantitative easing. By the time of the September meeting, the key developments centred around downside news on global and domestic activity with renewed speculation around recessions, intensifying financial stresses and a sharp fall in the Services Purchasing Managers Index.

Despite inflation peaking in the quarter at 4.5% year on year, the MPC preferred to focus on the more transitory nature of the causes by highlighting instead the downside risks to growth, weaker pay growth and stability in the medium term measures of inflation. GDP growth in the second quarter was weak at 0.2% quarter-on-quarter confirming the slowdown and having broadly stagnated over the previous two quarters. Unemployment deteriorated to 7.9% year-on-year.

Sterling money market yields moved modestly higher over the quarter to reflect an increase in the credit premium for banks.

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
BlackRock Aquila Sterling Govt Liquidity fund	N/A	N/A	N/A	0.4	0.5
Benchmark	N/A	N/A	N/A	0.5	0.5

Past performance of the fund to 30 September 2011

	Quarter	1 Year*	3 Years*	5 Years*
BlackRock Aquila Sterling Govt Liquidity fund	0.1	0.5	N/A	N/A
Benchmark	0.1	0.5	N/A	N/A

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 BlackRock Aquila Sterling Government Liquidity fund (Series 3)

Prudential risk rating

Minimal

What type of funds are in this risk category?

These funds may invest in a combination of deposits, money market instruments and other interest bearing securities.

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 and Stakeholder pension 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 BlackRock.

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 3).

How are the fund prices calculated?

This fund operates on a single swinging price basis, 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?

This fund is forward priced which means that the member receives the next available unit price after their instruction has been received.

This fund has a dealing cycle of T+0. This means that money received on day T buys units at the valuation date price applicable at close of business on the same day.

Other important information

Please note the performance figures shown do not take into account the effect of charges, which can be found in your 'A Guide to Fund Options'.

Please note if charges exceed the growth on the fund the value of your fund will fall.

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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