

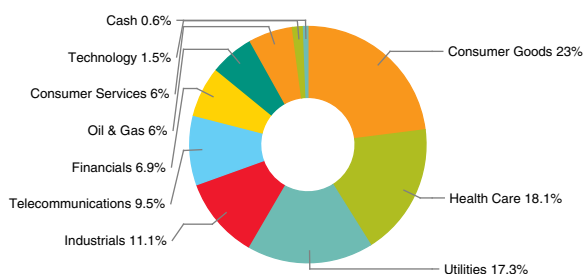
Prudential Invesco Perpetual Income fund (series 3)



Fund description

The Invesco Perpetual Income fund aims to achieve a reasonable level of income, together with capital growth. The fund intends to invest primarily in companies listed in the UK, with the balance invested internationally. In pursuing this objective, the fund managers may include investments that they consider appropriate which include transferable securities, money market instruments, warrants, collective investment schemes, deposits and other permitted investments and transactions.

Fund breakdown



Top holdings

Rank	Company	%
1	AstraZeneca	8.1
2	GlaxoSmithKline	8.0
3	Vodafone	5.6
4	BG	5.5
5	Reynolds American	5.4
6	British American Tobacco	4.8
7	Tesco	4.7
8	National Grid	4.4
9	Imperial Tobacco	4.0
10	BT	3.7

Source: Invesco Perpetual.
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
Invesco Perpetual Income fund	12.2	N/A	N/A	N/A	N/A
Benchmark	30.1	N/A	N/A	N/A	N/A

Key facts

Underlying fund size	£7,174m
Number of holdings	106
Underlying fund launch date	16/06/1979
Portfolio Manager	Neil Woodford
Benchmark	FTSE All-Share Index
Investment Style	Active
Sedol code	B2PKMH9
Performance Objective	To achieve a reasonable level of income, together with capital growth.

Commentary

UK stocks posted further gains in December, to close the year just below their 2009 highs. House price data supported the recovery theme as the Royal Institute of Chartered Surveyors' house price survey for November reached a three year high. Consumer sentiment remained around an 18 month peak and employment data also showed some signs of stabilising. However, an unexpected fall in retail sales during November and lacklustre manufacturing data suggested that the outlook for the UK economy remains uncertain. Moody's put further pressure on the government by suggesting that the UK's debt to GDP ratio could put its current sovereign debt rating in jeopardy and the Chancellor's pre-Budget report lacked any real substance as difficult decisions were postponed ahead of the upcoming election.

The fund is currently focused on companies that we believe have resilient earnings, can deliver sustainable dividend growth and those that in many cases have global operations. We continue to seek opportunities to invest in companies where we believe these characteristics are not fully recognised in share price valuations. In our view, companies in the pharmaceutical, tobacco, utilities and telecom sectors demonstrate these qualities and accordingly the fund has significant exposure to these areas.

Past performance of the fund to 31 December 2009

	Quarter	1 Year*	3 Years*	5 Years*
Invesco Perpetual Income fund	4.7	12.2	N/A	N/A
Benchmark	5.5	30.1	N/A	N/A

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 Invesco Perpetual

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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