

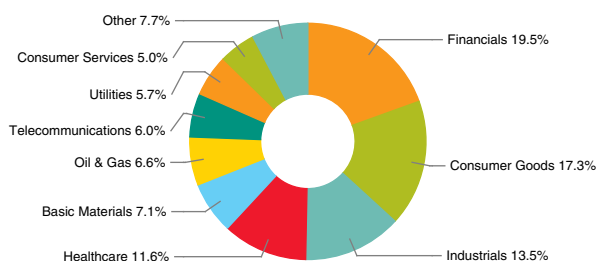
# Prudential Europe Equity Passive fund (Series 3)



## Fund description

The investment strategy of the fund is to purchase units in the M&G PP Europe Equity Passive Fund. This fund is passively managed tracking movements in its benchmark, the FTSE World Europe ex UK Index. Tracking this Index is achieved by the fund replicating the holdings of the larger companies in the Index plus holding a carefully modelled stratified sample of the remainder of the companies in the Index.

## Fund breakdown



The asset mix is likely to vary in the future.

## Top holdings

Rank	Company	%
1	Nestle	4.6
2	Novartis	3.2
3	Roche Holdings	2.7
4	Total	2.1
5	Sanofi	1.9
6	Telefonica	1.9
7	Siemens	1.8
8	Banco Santander	1.5
9	BASF	1.2
10	Novo Nordisk	1.2

The asset mix is likely to vary in the future.

Source: M&G

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

## 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
Europe Equity Passive fund	19.8	-19.8	16.8	1.3	-13.9
Benchmark	20.1	-19.7	16.5	1.6	-13.6

## Key facts

Underlying fund size	£77m
Number of holdings	344
Underlying fund launch date	28/07/1999
Portfolio Manager	Richard O'Connor
Benchmark	FTSE World Europe (ex UK) Index
Investment Style	Passive
Sedol code	3424793
Performance Objective	To match the performance of the benchmark as closely as possible.

## Commentary

European equities bore the brunt of investors' anguish over the eurozone debt crisis to rank as the worst performers of the world's major stockmarkets. No sector or industry was left untouched as investors indiscriminately reduced their stakes in this region. That said, banks had the toughest time; investor sentiment in this industry fell to an all-time low amid concerns over banks' exposure to sovereign debt from debt-stricken countries, further regulation and borrowing difficulties.

The slowdown in German GDP in the second quarter - its weakest reading in two years - came as a shock since the economy had been the one bright light for the crisis-hit region. In terms of the eurozone as a whole, the prospects look bleak with the OECD stating that the threat of recession is very real, while August's PMI survey showed a slump in export-orientated manufacturing.

### Past performance of the fund to 30 September 2011

	Quarter	1 Year*	3 Years*	5 Years*
Europe Equity Passive fund	-24.3	-13.9	0.6	-0.4
Benchmark	-24.3	-13.6	0.8	-0.3

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 Europe Equity Passive fund (Series 3)

## 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?

- › 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](http://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 M&G Investments.

### 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](http://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

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

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'.

Asset allocations are regularly reviewed and may vary from time to time, but will always be consistent with the fund objective.

