

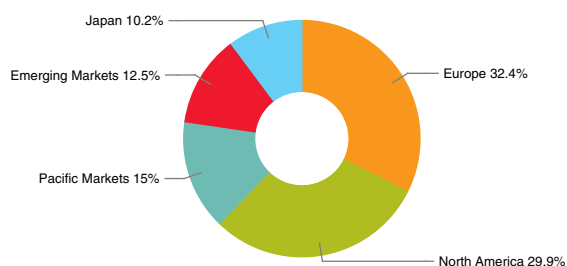
Prudential International Equity fund (series 3)



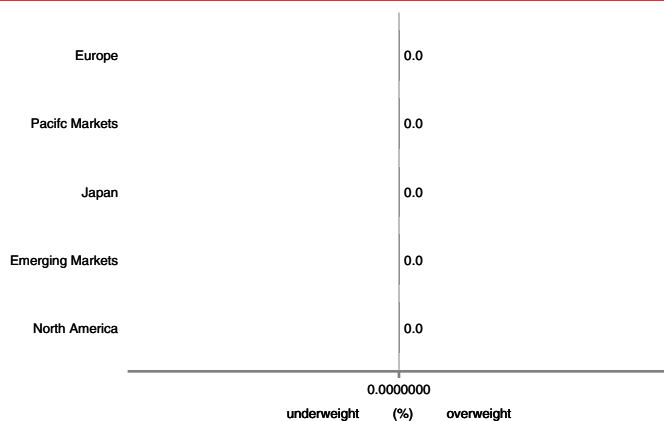
Fund description

The fund invests in shares of companies in all the major overseas equity markets. The fund is actively managed against a benchmark mix of the regional market indices in the same proportions as the average overseas equity distribution in the CAPS Balanced Pooled fund Survey. The significant numbers of stocks held in each region reflect the prudent approach adopted by this fund. Both active stock selection and asset allocation are used to add value.

Fund breakdown



Target positions vs benchmark



Source: M&G
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
International Equity fund	25.2	-20.4	11.5	10.3	29.3
Benchmark	22.5	-21.3	14.3	9.5	28.4

Past performance of the fund to 31 December 2009

	Quarter	1 Year*	3 Years*	5 Years*
International Equity fund	2.2	25.2	3.6	9.7
Benchmark	2.8	22.5	3.3	9.1

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.

Key facts

Underlying fund size	£500m
Number of holdings	9
Underlying fund launch date	15/04/1981
Portfolio Manager	Portfolio Management Group
Benchmark	Mix of FTSE and MSCI Regional Indices in the same proportions as the average overseas equity distribution in the BNY Mellon CAPS Balanced Pooled Fund Survey
Investment Style	Prudent active
Sedol code	3168626
Performance Objective	1% gross per annum above the benchmark on a rolling 3 year basis

Commentary

While still positive, returns from the portfolio were behind those of its composite benchmark during the fourth quarter of 2009. Despite this short-term setback, the fund was ahead of its composite benchmark for 2009 as a whole. Stock selection in Europe and Japan was a negative factor during a period when stockmarkets in these regions were weak. The fund manager had removed the portfolio's bias towards European equities in the previous quarter, which has proved to be a prudent decision. Good stock selection in the emerging markets provided the biggest boost during the quarter. Holdings in food producers such as Chinese agricultural business Chaoda Modern Agriculture and Wimm-Bill-Dann, a Russian producer of dairy, juice and baby food products, helped to add value.

After what has been an incredibly unpredictable 12 months for equity investors, the fund manager believes that economic conditions are now on a more stable footing. However, the scale of the stockmarket rally since March 2009 has created some concerns about the prospects for future economic growth and corporate earnings over the short term. With this in mind, the fund manager retained a neutral position in overseas equities. He does not believe that the fund would benefit from an increased weighting in any particular region at present.

Prudential International Equity fund (series 3)

Prudential risk rating

Medium to Higher

What type of funds are in this risk category?

These funds offer a diverse geographical spread of equity investment. The funds within this category will have greater overseas exposure and underlying volatility than the "medium" sector.

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 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 <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+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.

Retirement has more potential with

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