

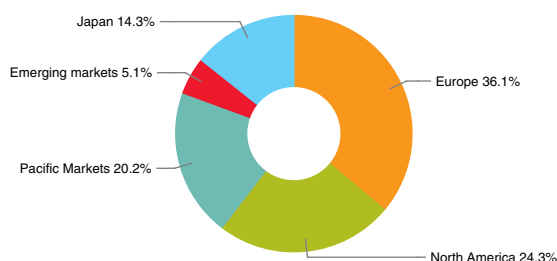
# Prudential Overseas Equity fund (series 3)



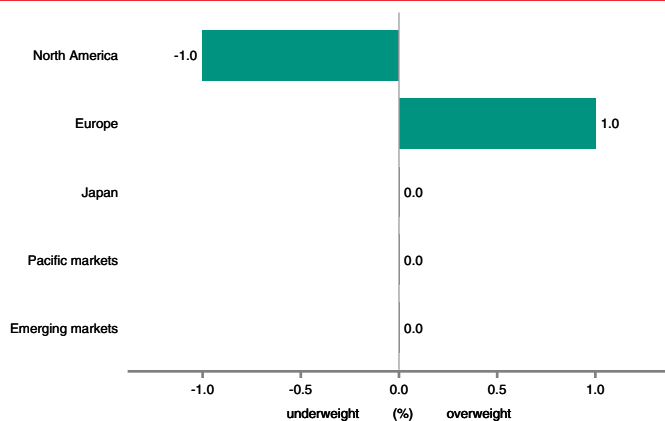
## Fund description

The fund invests in shares of companies in all the major overseas equity markets, roughly in proportion to each region's economic importance. The fund is actively managed against a benchmark mix of the regional market indices using fixed weights broadly reflecting each region's Gross Domestic Product. Both active stock selection and asset allocation are used to add value. The strategic split between regions may alter from time to time to reflect changing economic and market conditions.

## 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
Overseas Equity fund	25.2	-21.0	12.0	11.0	27.1
Benchmark	22.4	-20.4	13.0	9.1	27.5

### Past performance of the fund to 31 December 2009

	Quarter	1 Year*	3 Years*	5 Years*
Overseas Equity fund	1.6	25.2	3.5	9.4
Benchmark	2.1	22.4	3.3	8.9

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	£1m
Number of holdings	5
Underlying fund launch date	01/07/2003
Portfolio Manager	Portfolio Management Group
Benchmark	Mix of FTSE and MSCI regional indices of fixed weights broadly reflecting each region's GDP
Investment Style	Prudent Active
Sedol code	3373282
Performance Objective	1% gross per annum above the benchmark on a rolling 3 year basis

## Commentary

The fund lagged its composite benchmark during a period when most major stockmarkets continued to rally, albeit at a slower pace. Nonetheless, the fund produced a positive return over the quarter and remained ahead of its composite benchmark for 2009 as a whole. A relatively large exposure to weak European stockmarkets weighed on the fund's returns. This was compounded by disappointing stock selection in most regions. A neutral position in Japanese equities was also a negative during a phase when the country's stockmarket was in decline. Investors were concerned about Japan's fiscal deficit and the direction of the yen.

After what has been an incredibly unpredictable 12 months for equity investors, the economic conditions seem to be 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. Certainly, the past few months has failed to highlight the value of adding to any particular part of the market. With this in mind, the fund manager made few changes to the portfolio during the review period. He continued to focus on European equities ahead of those in North America, while maintaining the fund's neutral position in the emerging markets, Japan and the Pacific region.

# Prudential Overseas 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](http://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.

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