

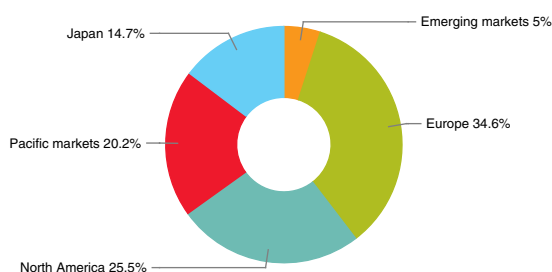
# Prudential Overseas Equity Passive fund (series 3)



## Fund description

The fund invests in all the major overseas equity markets. Most of the fund is passively managed with a benchmark mix of the regional market indices using fixed weights broadly reflecting each region's Gross Domestic Product. Tracking is achieved by replicating the larger companies in each region's index plus carefully modelling stratified samples of the remainder of the companies in each index. The strategic split between the regions may alter periodically to reflect changing economic and market conditions.

## Fund breakdown



## Top holdings

	%
1 Nestle	1.2
2 BHP Billiton	1.1
3 Total	1.1
4 Exxon Mobil	1.0
5 Samsung	0.9
6 Banco Santander	0.9
7 Telefonica	0.9
8 Toyota	0.8
9 Novartis	0.8
10 Roche	0.8

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 Passive fund	22.7	-19.4	13.0	9.6	27.7
Benchmark	22.4	-20.4	13.0	9.1	27.5

## Key facts

Underlying fund size	£53m
Number of holdings	5
Underlying fund launch date	15/12/1999
Portfolio Manager	Portfolio Management Group
Benchmark	Mix of FTSE and MSCI regional indices of fixed weights broadly reflecting each region's GDP
Investment Style	Passive
Sedol code	3169395
Performance Objective	To match the performance of the benchmark as closely as possible

## Commentary

The US was the leading Western stockmarket during the quarter, buoyed by better-than-expected corporate earnings and optimism regarding the country's economic recovery. Share prices rose across a broad range of industries, including automobile manufacturing and power generation. On the other hand, shares in banks and construction & engineering companies were among a handful that declined in value. Europe was among the weakest performers among the major stockmarkets, with returns to sterling-based investors further dampened by the euro's retreat against the British pound during the quarter. Nonetheless, a number of sectors posted healthy gains, particularly in mining. Conversely, declines were led by financials, where sentiment was undermined by the possibility of further bank loan losses.

The best performing stockmarket in the Pacific Basin ex Japan region was China, which rebounded strongly during the fourth quarter. The east Asian economic powerhouse reported a significant pick-up in industrial production and imports to the country also grew substantially during the quarter, news that generally bolstered investors' sentiment across the region. Stockmarkets in the Philippines, Singapore and Taiwan reported healthy increases as well, while South Korea lagged. Japanese equities endured another sluggish quarter, with the yen's depreciation against the British pound exacerbating the lacklustre returns to sterling-based investors.

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

	Quarter	1 Year*	3 Years*	5 Years*
Overseas Equity Passive fund	2.2	22.7	3.8	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.

# Prudential Overseas Equity Passive 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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