

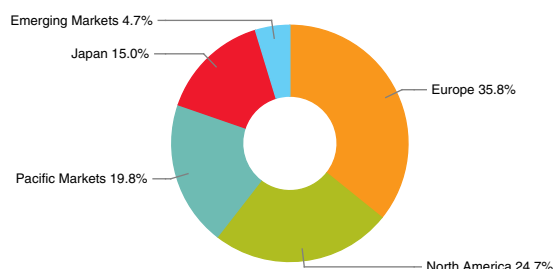
Prudential Overseas Equity Passive fund (Series 3)



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



The asset mix is likely to vary in the future.

Top holdings

	%
1 Nestlé	1.5
2 Novartis	1.0
3 BHP Billiton	0.8
4 Roche Holdings	0.8
5 Samsung	0.8
6 Total	0.7
7 Hewlett-Packard	0.6
8 JP Morgan Chase	0.6
9 Microsoft	0.6
10 Morgan Stanley	0.6

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
Overseas Equity Passive fund	18.1	-17.2	17.9	8.4	-6.5
Benchmark	18.0	-18.4	17.9	8.1	-6.6

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.

Key facts

Underlying fund size	£62m
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

Stalling domestic growth, wrangling by politicians over the country's debt ceiling and fears over the impact of the eurozone crisis on the global economy conspired to make the quarter a difficult time for US equities. As with other stockmarkets, investors shunned cyclical businesses like commodities, banks and construction in favour of pharmaceuticals and tobacco stocks.

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 exposure to this region. Sentiment in banks fell to an all-time low amid concerns over their exposure to sovereign bonds from debt-stricken countries.

Fears over the world economy caused those emerging market countries most exposed to the West, such as China, Korea and Taiwan, to suffer significant stockmarket losses. Confidence in Chinese equities was also hurt by a weakening domestic economy and interest rate increases as the government tried to dampen inflation.

Japanese equities rebounded strongly to finish September as the best performing developed stockmarket. After abandoning Japanese stocks following the earthquake and tsunami, investors returned to the country's equity market in late spring. Confident that the nuclear crisis was under control, investors benefited from the low valuations to buy Japanese equities at an attractive price.

Past performance of the fund to 30 September 2011

	Quarter	1 Year*	3 Years*	5 Years*
Overseas Equity Passive fund	-16.5	-6.5	6.1	3.2
Benchmark	-16.5	-6.6	6.0	2.8

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?

- ▶ 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
- ▶ 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 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.



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