

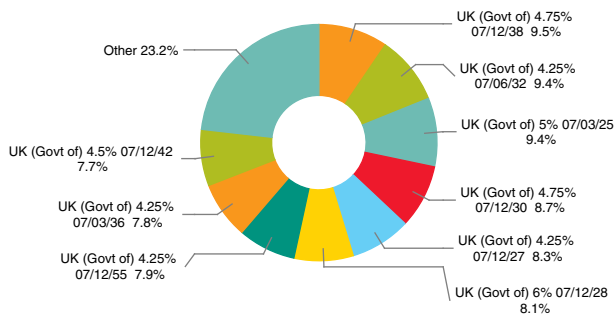
Prudential Retirement Protection fund (series 3)



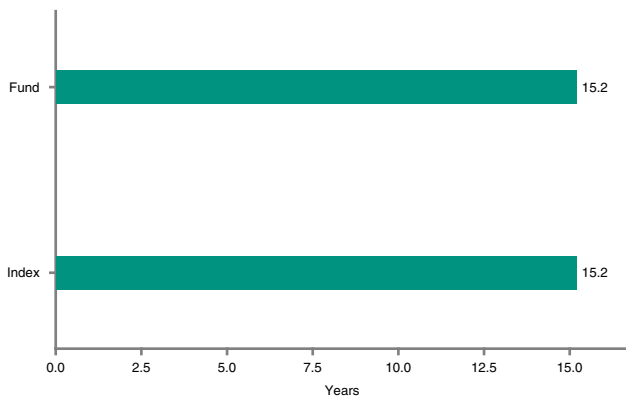
Fund description

The fund invests in British Government Gilts with over 15 years to maturity. The fund is passively managed tracking movements in its benchmark FTSE A British Government Over 15 Years Gilt Index. Tracking this index is achieved by fully replicating the small number of stocks in the Index.

Fund breakdown



Duration



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
Retirement Protection fund	-5.0	14.0	2.7	0.1	11.1
Benchmark	-4.8	13.6	2.7	0.0	11.0

Past performance of the fund to 31 December 2009

	Quarter	1 Year*	3 Years*	5 Years*
Retirement Protection fund	-4.4	-5.0	3.6	4.3
Benchmark	-4.3	-4.8	3.6	4.3

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	£376m
Number of holdings	14
Underlying fund launch date	05/04/1994
Portfolio Manager	David Lloyd
Benchmark	FTSE A British Government Over 15 Years Gilt Index
Investment Style	Passive
Sedol code	3169425
Performance Objective	To match the performance of the benchmark as closely as possible

Commentary

During the quarter, the Bank of England expanded its asset buyback programme by an additional £25 billion, bringing the total scheme to £200 billion. In spite of this, the prices of UK government bonds (gilts) continued to face downward pressure while yields rose amid investors' fears over rising public sector debt and the eventual withdrawal of the central bank's support of the economy. Improved risk appetite amid signs of a rebound in global growth also dampened demand as investors shifted their preference towards higher yielding corporate bonds.

News on the economic front was generally more upbeat, even though the UK has yet to officially emerge from recession. Gross domestic product fell 0.2% in the third quarter, or an annualised 5.1%. Nonetheless, house prices have continued to edge up, unemployment is stabilising while car production grew for the first time in more than a year in November.

Prudential Retirement Protection fund (series 3)

Prudential risk rating

Lower

What type of funds are in this risk category?

These funds may invest in fixed interest securities including gilts, index-linked and an element of corporate bonds. These types of investment are generally recognised as lower risk.

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.

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