

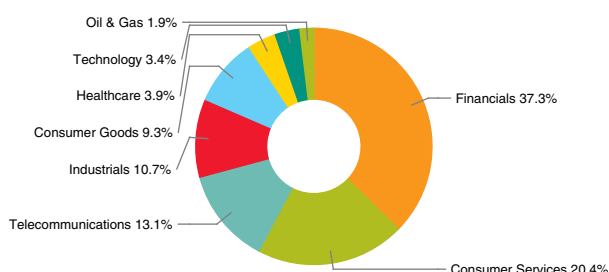
# Prudential Socially Responsible fund (Series 3)



## Fund description

The investment strategy of the fund is to invest in the shares of UK companies which pass a set of socially responsible criteria. The fund is actively managed against a benchmark constructed in conjunction with EIRIS (Ethical Investment Research Services). Companies who pass the screening criteria (which are reviewed regularly) represent around 60% of the FTSE All-Share Index by market capitalisation and so the fund's returns may vary more than other funds which can access the whole market.

## Fund breakdown



The asset mix is likely to vary in the future.

## Top holdings

	%
1 Vodafone	9.6
2 HSBC	7.7
3 Tesco	5.3
4 Standard Chartered	4.7
5 Diageo	3.4
6 Barclays Bank	2.9
7 Pearson	2.4
8 Lloyds Banking	2.3
9 Inchcape	2.3
10 G4S	2.0

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
Socially Responsible fund	6.6	-27.9	1.3	12.2	-13.2
Benchmark	8.2	-27.4	6.8	11.3	-8.7

## Key facts

Underlying fund size	£24m
Number of holdings	61
Underlying fund launch date	08/12/1999
Portfolio Manager	Richard O'Connor
Benchmark	A subset of the FTSE All-Share Index, defined in conjunction with EIRIS
Investment Style	Active
Sedol code	3169436
Performance Objective	To outperform the benchmark by 1% per year (before charges) over rolling 3-year periods.

## Commentary

UK equities suffered major falls during the quarter as investor sentiment was badly hurt by poor economic data and the inability of Europe's politicians to solve the debt problems in the weaker eurozone countries. The fund's performance was driven by some of its holdings in more economically sensitive companies. For example, shares in tour operator Thomas Cook and car retailer Inchcape declined as uncertainty over economic growth in the UK and relatively high inflation negatively affected consumer confidence. On the other hand, the fund's positions in more defensive businesses, whose earnings are less reliant on buoyant commercial activity, were beneficial. Among the best performers were security company G4S and De La Rue, which prints banknotes and passports.

During the quarter, the fund manager closed the position in travel group Thomas Cook due to his concerns that feeble economic activity would continue to put pressure on discretionary spending among UK consumers. A stake in food retailer Sainsbury's was also sold and the proceeds reinvested in rival Tesco where the fund manager sees better longer term earnings potential. Conversely, the fund manager established a position in speciality engineering firm IMI, which manufactures air conditioning units and control valves. He expects IMI to benefit from its ongoing cost-cutting strategy and strong demand for the company's products in emerging markets.

### Past performance of the fund to 30 September 2011

	Quarter	1 Year*	3 Years*	5 Years*
Socially Responsible fund	-15.8	-13.2	-0.4	-5.4
Benchmark	-14.5	-8.7	2.7	-3.2

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.

# Prudential Socially Responsible fund (Series 3)

## Prudential risk rating

### Higher

#### What type of funds are in this risk category?

These are specialist equity funds that focus on set geographical regions or a particular type of share e.g. shares of smaller companies or those that conform to certain criteria.

## 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](http://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](http://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

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.

