

# Prudential Newton International Growth fund (Series 3)

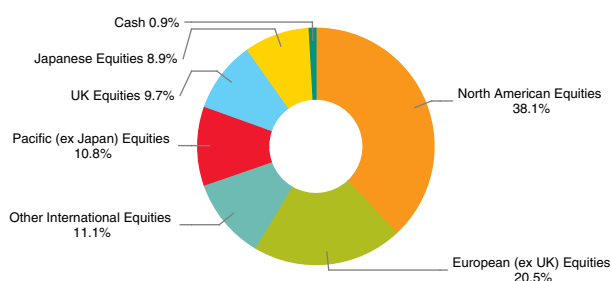
**NEWTON**  
The Power of Ideas

## Fund description

The investment strategy of the fund is to purchase units in the Newton International Growth Fund. The objective of this fund is to achieve capital growth from a portfolio of international securities. The fund may also invest in collective investment schemes.

Please note that with effect from the 1 July 2011 the benchmark for the Newton International Growth Fund changed from the FTSE World Index to the MSCI AC World Index.

## Fund breakdown



The asset mix is likely to vary in the future.

## Top holdings

	%
1 Roche Holdings	2.5
2 Altria	1.9
3 Bangkok Bank	1.8
4 British American Tobacco	1.8
5 Microsoft	1.8
6 Newcrest Mining	1.8
7 Novartis	1.8
8 AT&T	1.7
9 Jardine Matheson	1.6
10 Sprint Nextel	1.6

The asset mix is likely to vary in the future.

Source: Newton  
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
Newton International Growth fund	14.0	-16.8	13.1	9.9	-3.4
Benchmark	13.7	-16.4	11.3	10.0	-4.9

## Key facts

Underlying fund size	£1,057m
Number of holdings	115
Underlying fund launch date	01/06/1987
Portfolio Manager	Jon Bell
Benchmark	MSCI AC World
Investment Style	Active
Sedol code	3420155
Performance Objective	To achieve capital growth.

## Commentary

Over the quarter, the consumer discretionary sector harboured a number of significant detractors: the Danish jewellery retailer Pandora performed poorly after the company warned its sales progression had been worse than expected, and the US media company Interpublic Group of Companies lost ground following results that showed declining margins.

The telecoms sector generated mixed returns: at one end of the spectrum, after making strong gains in the preceding period, Sprint Nextel saw its share price decline after announcing weaker-than-expected margins. In terms of positive performance, Advanced Info Service, a Thai mobile operator, performed well as both its voice and data revenues increased.

We bought a holding in the US telecoms provider AT&T, which boasts a low valuation and a strong dividend yield. Now that tiered pricing has been introduced, it should also benefit from data revenue growth. We funded the purchase by selling Deutsche Telekom, which had made significant gains following AT&T's bid for the company's T-Mobile USA business.

We purchased a position in Barclays, despite our negative long-term view on the banking sector, to mitigate some of the risk associated with our large underweight position. In addition to having a lower risk profile than its European banking sector peers, the shares are trading at a significant discount.

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

	Quarter	1 Year*	3 Years*	5 Years*
Newton International Growth fund	-14.8	-3.4	6.3	2.6
Benchmark	-14.9	-4.9	5.2	2.1

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.

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## 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](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 Mellon Fund Managers Limited.

### 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+1. This means that money received on day T buys units at the valuation date price applicable at close of business 1 day later.

### 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.

