

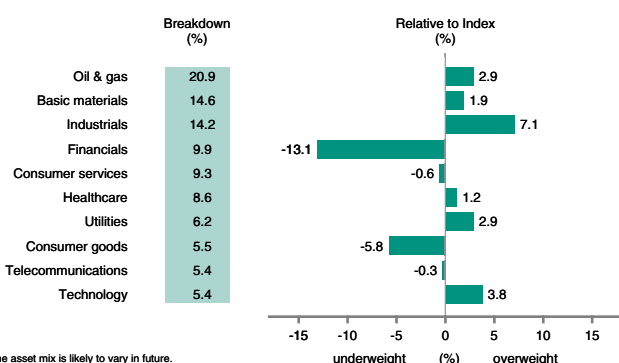
Prudential UK Specialist Equity fund (series 4)



Fund description

The fund invests in shares of UK companies. The fund is actively managed against its benchmark of the FTSE All-Share Index. The fund follows a focused approach working with around 50 companies from the FTSE 350 Index and around 30 smaller companies going through changes in their business which offer the prospect of strong growth in value to shareholders and where the manager believes the market has not recognised their potential.

Fund distribution



Key facts

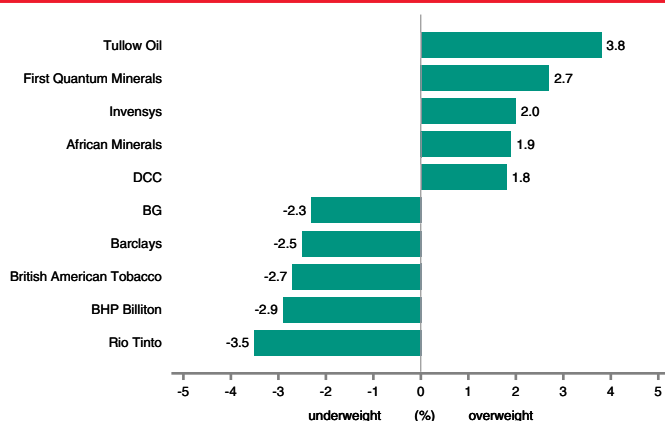
Underlying fund size	£768m
Number of holdings	97
Underlying fund launch date	22/05/2000
Portfolio Manager	Tom Dobell
Benchmark	FTSE All-Share Index
Investment Style	Active
Sedol code	B08NXX1
Performance Objective	2.5% gross per annum above the benchmark on a rolling 3 year basis

Commentary

The fund performance was impacted due to a lack of exposure to mining sector majors such as Rio Tinto, BHP Billiton and Xstrata, which secured some of the best gains. Instead, the fund invests in smaller, more entrepreneurial businesses with attractive long-term assets. Some of these holdings such as Kenmare Resources and African Minerals underperformed however. The fund manager remains extremely optimistic as to the future value to emerge from these companies. On a more positive note, stocks from across a range of sectors continued to deliver strong performance for the portfolio, including South African coal mining business Coal of Africa and Aggreko, the world leader in temporary power and temperature control equipment rental.

The fund manager continued to participate in fund raisings by companies already held in the portfolio, including Kenmare Resources and satellite broadband provider Avanti Communications. Budget airline Easyjet was among the newcomers to the portfolio. The management team has a clear strategy in place to improve its return on equity via cost savings, increasing the fuel efficiency of its fleet and growing its revenues per customer. The fund manager sold the fund's stake in Innovation Group, an insurance software company, as he no longer has conviction in the holding.

Top 5 over and underweight positions



Source: M&G
All figures are as at 31 March 2010, unless otherwise stated.

Performance

Past performance of the fund over each of the last 5 years to the end of March

	31/03/09 - 31/03/10	31/03/08 - 31/03/09	31/03/07 - 31/03/08	31/03/06 - 31/03/07	31/03/05 - 31/03/06
UK Specialist Equity fund	56.9	-25.7	-2.9	12.9	N/A
Benchmark	52.3	-29.3	-7.7	11.1	N/A

Past performance of the fund to 31 March 2010

	Quarter	1 Year*	3 Years*	5 Years*
UK Specialist Equity fund	4.1	56.9	4.2	N/A
Benchmark	6.4	52.3	-0.2	N/A

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.

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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?

- 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/factsheets.
- 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's Fund Delivery Service.

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 4).

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 4 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.

Retirement has more potential with

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