

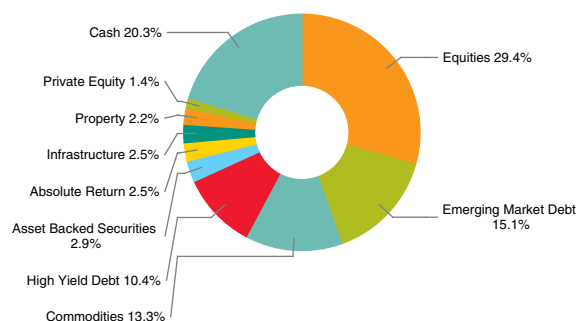
Prudential Schroders Life Intermediated Diversified Growth fund (Series 4)



Fund description

The investment strategy of the fund is to purchase units in the Schroder Intermediated Diversified Growth Fund. This fund aims to provide long term capital growth and income, through investing in funds which invest in equity and debt securities traded world-wide, as well as investing directly in those types of assets and/or through financial derivative instruments, to either hedge or increase the fund's market exposure.

Fund breakdown



The asset mix is likely to vary in the future.

Top holdings

	%
1 Segregated Schroder QEP Global Dynamic Blend Portfolio	16.1
2 S&P 500 Index Future	7.5
3 UBS Bloomberg CMC Index Composite Total Return Swap	6.0
4 ETF Gold	5.6
5 Schroder ISF Emerging Mkt Debt Absolute Rtn GBP Hedged	4.8
6 Schroder UK Alpha Plus fund	4.3
7 PIMCO Emerging Markets Bond fund	4.2
8 Neuberger Berman High Yield Bond fund	4.1
9 Schroder ISF Global High Yield GBP Hedged	3.6
10 Segregated Schroder Mega Cap Portfolio	3.2

The asset mix is likely to vary in the future.

Source: Schroders
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
Schroders Life Intmd Diversified Growth fund	N/A	N/A	10.0	11.2	-0.8
Benchmark	N/A	N/A	3.6	9.6	10.6

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	£878m
Number of holdings	41
Underlying fund launch date	05/10/2007
Portfolio Manager	Johanna Kyrklund & Mike Spinks
Benchmark	RPI+5% (Target Return)
Investment Style	Active
Sedol code	B29JCG1
Performance Objective	To provide a return of RPI +5% per year over a five to seven year period.

Commentary

Over the third quarter when most equity markets posted double digit losses and our equity comparator (60% FTSE All-Share: 40% FTSE World ex UK hedged to GBP) was down 14.1%, the fund was down 8.5%. This is behind the RPI+5% return of +2.4%. The fund is significantly ahead of our global equity composite since inception returning +3.9% per annum compared to +0.6% per annum although lags RPI+5%.

Towards the end of July, we significantly de-risked the portfolio reducing our equity exposure. We continued to manage our protection strategy, introduced in April, dynamically over the quarter. With market sentiment turning increasingly negative through August, we reduced our physical equity exposure further.

Over the quarter we have reduced our exposure to high yield debt from 14% to 10% in favour of US dollar-denominated emerging market debt.

In the second quarter we had thought it prudent to put a 'seat belt' on our strategy in the form of a dynamically-managed protection strategy as we recognised the macroeconomic risks which remained, particularly with respect to the sovereign debt concerns in Europe.

We do not currently, however, expect a double-dip recession since, although economic indicators have clearly weakened, corporates remain in a strong position and the worst of the excesses and imbalances have been purged from the system over the last three years.

Past performance of the fund to 30 September 2011

	Quarter	1 Year*	3 Years*	5 Years*
Schroders Life Intmd Diversified Growth fund	-8.0	-0.8	6.6	N/A
Benchmark	2.4	10.6	7.9	N/A

Prudential Schroders Life Intermediated Diversified Growth fund (Series 4)

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's Fund Delivery Service.

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 Schroders.

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 4).

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 take into account the effect of the Annual Management Charge (AMC).

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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