

Prudential Managed Funds Tracker Trust

Manager's annual report for
the year ended 31 July 2009
(audited)

Contents

Trust objective and policy ⁺	1
Manager's comments ⁺	1
Trust statistics	3
Portfolio	7
Portfolio statement	7
Financial statements	25
Statement of total return	25
Statement of change in unitholders' net assets	25
Balance sheet	26
Notes to the financial statements	27
Distribution table	39
EU savings directive	40
Statement of the Manager's responsibilities	40
Statement of the Trustee's responsibilities	41
Directors' statement	41
Independent auditors' report	42
Notes to unitholders ⁺	44
General information ⁺	44

⁺ Collectively, these comprise the Manager's Report.

Trust objective and policy

The objective is to maximise the total long term return by matching, as closely as possible, the composition of a variety of stock and bond indices, such that the overall asset allocation reflects the major asset classes (those consisting of 5% or more of the fund) of the median Pension Balanced Managed Fund (as defined by the Association of British Insurers and measured by Lipper).

Manager's comments

Over the 12-month period to 31 July 2009, the total return (capital performance with net income reinvested) of the Prudential Managed Funds Tracker Trust fell by 3.6%*. Meanwhile, the average return of the trust's competitive peer group, the IMA Balanced Managed Sector, was down 7.1%*.

The trust is a tracker fund and aims to closely follow the performance of a range of leading world indices. The portfolio contains a wide spread of geographic markets and asset types, which is a less risky strategy than investing in a single asset type or market. The UK remains the main focus, with over 55% of the portfolio held in UK equities and UK government bonds. Asian Pacific (excluding Japan) equities represent the next largest category, accounting for more than 13% of the portfolio, while Europe and North America make up around 11% and 10% of the fund, respectively.

The 12 months under review proved very challenging for equity markets. The realisation that the global economy was entering a recession, coupled with concerns about the solidity of the financial system, caused investor sentiment to deteriorate markedly. There were episodes of improved mood in response to a number of initiatives by the US policy makers to stabilise the financial system and kick-start economic activity. Most recently, the authorities in the US and the UK initiated a quantitative easing programme, which involved the purchase of government and corporate bonds to boost the supply of money and lower the cost of corporate borrowing.

A strong rally in stockmarkets from March 2009 made up some of the ground lost earlier in the review period, but most global equity markets still fell over the full 12 months in sterling terms. The FTSE World Asia Pacific (ex Japan) Index rose slightly, although this reflects the weakness of sterling against local currencies over the review period.

The UK component of the trust tracks the FTSE All-Share Index, which fell 10.5%** during the period under review. Despite the tough backdrop for equities, a number of sectors proved attractive to investors, with general retailers and beverages recording robust

Manager's comments (continued)

gains. By contrast, banks and mining stocks were down heavily, with banks continuing to bear the brunt of negative sentiment from investors because of the turmoil affecting the sector. Meanwhile, investors felt that prospects for the mining industry appeared subdued in the face of recession and weak global demand. However, both sectors regained favour with investors due to increased optimism during the market rebound from March 2009.

Nearly 15% of the portfolio is invested in UK government bonds (gilts). These produced strong returns during the 12 month review period as they represented a relative 'safe haven' for investors during the turbulent economic and market conditions. Towards the end of the review period investors became concerned about a possible oversupply in government debt as a result of the Bank of England's quantitative easing programme. However, these worries were insufficient to outweigh the earlier gains and the FT UK Government All Stocks Index rose 9.4%** over the period.

During a period of heightened market volatility, portfolio activity was largely focused on maintaining the positioning of the overall fund. In terms of fixed income exposure, transactions related to the ongoing process of rebalancing the portfolio. Some of the larger transactions included UK gilts (maturing in 2018, 2028 and 2038). However, individual bond transactions should be seen in the context of the overall portfolio. Equity transactions included HSBC Holdings, Vodafone Group and BP, which were among the main index movers during the review period.

Investor sentiment has improved in recent months amidst hopes that the worst of the recession may have passed. However, the economic climate remains bleak with rising unemployment and depressed demand from businesses and consumers alike. More positively, financial market conditions have improved and the downturn in economic activity seems to be slowing, although the timing of an end to the recession is uncertain. The possibility of short-term disappointments remains, but global equities should contribute to solid returns for investors once a sustained recovery gets underway. In addition, the fixed income portion of the portfolio should provide some protection from potential short-term weakness.

* Source: Morningstar, Inc.

Basis: Bid to bid with net income reinvested to 31 July 2009.

** Source: Morningstar, Inc.

Basis: Capital performance with net income reinvested to 31 July 2009.

Please note that the views expressed in this Report should not be taken as a recommendation or advice as to how the Prudential Managed Funds Tracker Trust or any holding mentioned in the Report is likely to perform. If you wish to obtain financial advice as to whether an investment is suitable for your needs, you should consult a financial adviser.

Trust statistics

Sterling Class 'C' units are not generally available to all investors.

Distribution dates and trust facts

Distribution type	xd	payment
Interim	01.02.10	31.03.10
Final	02.08.10	30.09.10

	Final distribution		Total Expense Ratio ^[b]	
	Inc 30.09.09 ^[a]	Acc 03.08.09 ^[a]	31.07.09	31.07.08
Sterling	p	p	%	%
Class 'A'	n/a	1.1530	1.45	1.44
Class 'C'	1.5920	n/a	0.03	0.03

The Portfolio Turnover Rate (PTR) for the 12 months ending 31 July 2009 was 38.44% compared with 13.96% for the year ending 31 July 2008. ^[c]

^[a] The date on which the final distribution will be paid to Income unitholders and credited to Accumulation unitholders.

^[b] The Total Expense Ratio (TER) shows the relevant annualised operating expenses of each unit class from the most recent reporting period as a single percentage of the average net asset value for that unit class over the same period.

^[c] The Portfolio Turnover Rate (PTR) is a ratio that reflects the volume of trading within the trust over the course of a 12 month period. The PTR is calculated by taking the sum of all transactions in securities less the sum of all transactions in the trust's units and is expressed as a percentage of the trust's average net asset value.

Income accrued from interest-bearing securities is distributed on an effective yield basis.

Trust performance

Performance of unit classes.

	Net asset value per unit as at 31.07.09		Net asset value per unit as at 31.07.08		Net asset value % change	
	Inc	Acc	Inc	Acc	Inc	Acc
Sterling	p	p	p	p	%	%
Class 'A'	n/a	107.43	n/a	111.47	n/a	-3.62
Class 'C'	99.37	n/a	105.30	n/a	-5.63	n/a

Trust statistics

Prices ^[a]

Prior to conversion to multi-unit class.

	Calendar year	Income units		Accumulation units	
		Highest	Lowest	Highest	Lowest
Sterling		p	p	p	p
	2004	n/a	n/a	96.24	81.95
	2005 ^[b]	n/a	n/a	100.49	91.08

^[a] Up until 28 May 2005 the trust was dual priced and the figures show the highest offer price and the lowest bid price. From 31 May 2005 this trust was single priced and from this date now shows both the highest price and lowest price.

^[b] Up to 31 July 2005.

Post conversion to multi-unit class.

	Calendar year	Income units		Accumulation units	
		Highest	Lowest	Highest	Lowest
Sterling Class 'A'		p	p	p	p
	2005 ^[a]	n/a	n/a	108.64	98.80
	2006	n/a	n/a	118.95	105.48
	2007	n/a	n/a	129.17	115.71
	2008	n/a	n/a	126.42	87.79
	2009 ^[b]	n/a	n/a	107.86	86.45
Class 'C'	2005 ^[a]	109.14	99.05	n/a	n/a
	2006	117.45	105.25	n/a	n/a
	2007	125.09	111.71	n/a	n/a
	2008	122.46	83.15	n/a	n/a
	2009 ^[b]	100.99	80.88	n/a	n/a

^[a] From 1 August 2005 (the launch date of the unit class).

^[b] Up to 3 August 2009.

Trust statistics

Income

Income per unit

Prior to conversion to multi-unit class.

	Calendar year	Interim	Distributed Final	Total	Reinvested
Sterling (net)		p	p	p	p
	2004	n/a	n/a	n/a	1.5720
	2005	n/a	n/a	n/a	1.7147

Post conversion to multi-unit class.

	Calendar year	Interim	Distributed Final	Total	Reinvested
Sterling (net)		p	p	p	p
Class 'A'	2006	n/a	n/a	n/a	1.9334
	2007	n/a	n/a	n/a	2.1119
	2008	n/a	n/a	n/a	2.3750
	2009 ^[a]	n/a	n/a	n/a	2.1030
Class 'C'	2006	1.3057	1.8133	3.1190	n/a
	2007	1.4088	1.9800	3.3888	n/a
	2008	1.4010	2.1850	3.5860	n/a
	2009 ^[a]	1.4440	1.5920	3.0360	n/a

^[a] Up to final: ex-distribution date 3 August 2009;
payment date 30 September 2009.

Past performance is not a guide to future performance.

The price of units and the income from them can go down as well as up, and you may get back less than you invested.

Trust statistics

Net assets

	Year ended	Value per unit		Number of units	
		Inc	Acc	Inc	Acc
Sterling		p	p		
Class 'A'	Jul 2007	n/a	122.25	n/a	2,069,711
	Jul 2008	n/a	111.47	n/a	1,837,811
	Jul 2009	n/a	107.43	n/a	1,817,811
Class 'C'	Jul 2007	118.11	n/a	76,316,200	n/a
	Jul 2008	105.30	n/a	78,839,200	n/a
	Jul 2009	99.37	n/a	80,312,500	n/a

Total net asset value of trust

Year ended	£
Jul 2007	92,670,000
Jul 2008	85,062,000
Jul 2009	81,759,000

Portfolio

Portfolio statement

as at 31 July 2009

Holding	Value £'000	31.07.09 %	31.07.08 ^[a] %
		4.75	3.17
11,231	AGL Energy	84	0.10
65,187	Alumina	56	0.07
10,617	Amcor	26	0.03
26,237	AMP	74	0.09
10,856	Asciano Group	9	0.01
24,179	Australand Property Group	6	0.01
16,925	Australand Property Group (stapled shares)	0	0.00
15,639	Australia & New Zealand Banking Group	145	0.18
381	BBI Eps	0	0.00
32,209	BHP Billiton (Australian listing)	610	0.75
34,598	Brambles	104	0.13
19,808	Centro Properties Group	1	0.00
13,203	Coca-Cola Amatil	62	0.08
12,338	Commonwealth Bank of Australia	264	0.32
4,368	Consolidated Media	6	0.01
9,368	Crown	35	0.04
5,670	CSL	87	0.11
28,295	CSR	26	0.03
74,205	Dexus Property Group	27	0.03
20,749	Fosters Group	56	0.07
100,460	GPT Group	27	0.03
1,625	Insurance Australia Group	3	0.00
2,650	Leighton Holdings	40	0.05
4,142	Lend Lease	16	0.02
4,333	Macquarie Group	95	0.12
25,612	Macquarie Infrastructure Group	19	0.02
223,100	Minara Resources	124	0.15
17,678	National Australia Bank	215	0.26
8,820	Orica	99	0.12
9,846	QBE Insurance Group	96	0.12
4,793	Rio Tinto	145	0.18
19,861	Santos	144	0.18
17,433	Sigma Pharmaceuticals	11	0.01
5,503	Sims Group	77	0.09
46,120	Stockland	73	0.09
11,049	Suncorp Metway	39	0.05
13,003	Tabcorp Holdings	47	0.06
31,381	Telstra	55	0.07
5,316	Toll Holdings	18	0.02
21,209	Transurban Group	46	0.06
7,753	Wesfarmers	100	0.12
956	Wesfarmers (Deferred Shares)	12	0.01
21,648	Westfield Group	123	0.15
29,554	Westpac Banking	321	0.39
4,460	Woodside Petroleum	102	0.12
12,076	Woolworths	165	0.20

Portfolio

Portfolio statement (continued)

as at 31 July 2009

Holding		Value £'000	31.07.09 %	31.07.08 ^[a] %
Austria			0.06	0.06
7,000	Immofinanz Immobilien Anlage	9	0.01	
4,132	Wienerberger	39	0.05	
Belgium			0.22	0.24
3,960	Anheuser-Busch InBev (formerly InBev)	95	0.12	
1,760	Anheuser-Busch InBev VVPR Strip	0	0.00	
1,700	Belgacom	37	0.05	
4,407	Dexia	21	0.03	
5,345	Fortis	12	0.01	
5,345	Fortis Rights	0	0.00	
567	GDF Suez VVPR Strip	0	0.00	
889	KBC Group	11	0.01	
Canada			0.85	0.78
1,960	Bank Of Nova Scotia	50	0.06	
1,854	Barrick Gold	38	0.05	
3,000	Brookfield Asset Management	37	0.05	
1,650	Canadian Natural Resources	59	0.07	
1,900	EnCana	60	0.07	
2,000	Imperial Oil	47	0.06	
2,400	Manulife Financial	35	0.04	
800	Potash Corp. of Saskatchewan	46	0.06	
1,100	Research in Motion	51	0.06	
2,138	Royal Bank of Canada	61	0.07	
1,500	Sun Life Financial	31	0.04	
1,900	Suncor Energy	37	0.05	
2,400	Teck Cominco 'B'	37	0.05	
1,400	Toronto-Dominion	49	0.06	
2,700	TransCanada	46	0.06	
Denmark			0.27	0.28
17	AP Moller-Maersk	63	0.08	
4,000	Danske Bank	50	0.06	
2,000	Novo-Nordisk 'B'	71	0.09	
800	Vestas Wind Systems	34	0.04	
Finland			0.22	0.27
3,000	Fortum	43	0.05	
1,600	Metso	20	0.02	
12,776	Nokia	101	0.12	
5,300	Stora Enso	21	0.03	
France			2.53	2.95
801	Accor	20	0.02	
594	Air Liquide	37	0.05	
594	Air Liquide (Prime Fidel 2010)	37	0.05	
6,362	Alcatel-Lucent	11	0.01	
1,000	Alstom	41	0.05	
981	Arkema	17	0.02	

Portfolio

Portfolio statement (continued)

as at 31 July 2009

Holding	Value £'000	31.07.09 %	31.07.08 ^[a] %
France (continued)			
7,547 AXA	96	0.12	
3,270 BNP Paribas	144	0.18	
1,328 Bouygues	34	0.04	
770 Cap Gemini	21	0.03	
3,412 Carrefour	96	0.12	
2,238 Compagnie de Saint Gobain	54	0.07	
4,196 Crédit Agricole	36	0.04	
1,000 Electricité de France	30	0.04	
2,200 Essilor International	73	0.09	
7,255 France Telecom	108	0.13	
5,495 GDF Suez (French listing)	128	0.16	
2,847 Groupe Danone	91	0.11	
501 Lafarge	21	0.03	
640 Lafarge (Prime Fidel 2010)	27	0.03	
1,332 L'Oréal	70	0.09	
1,758 LVMH	95	0.12	
460 PPR	31	0.04	
898 Renault	23	0.03	
3,297 Sanofi-Aventis	131	0.16	
1,337 Schneider Electric	73	0.09	
2,097 Société Générale	81	0.10	
1,909 STMicroelectronics	9	0.01	
1,078 Suez Environnement	12	0.01	
7,744 Total	256	0.31	
350 Unibail-Rodamco (French listing)	37	0.05	
1,617 Veolia Environnement	34	0.04	
4,549 Vivendi	71	0.09	
Germany		1.89	2.20
1,837 Allianz	109	0.13	
3,496 BASF	103	0.13	
2,491 Bayer	92	0.11	
1,312 Bayerische Motoren Werke	36	0.04	
4,000 Commerzbank	19	0.02	
3,585 Daimler (formerly DaimlerChrysler)	99	0.12	
2,859 Deutsche Bank	112	0.14	
1,200 Deutsche Börse	58	0.07	
5,500 Deutsche Post	52	0.06	
11,839 Deutsche Telekom	91	0.11	
6,426 E.ON	149	0.18	
1,600 Fresenius Medical Care	44	0.05	
800 K&S	27	0.03	
1,249 LANXESS	22	0.03	
1,286 Metro	45	0.06	
748 Munich Re	69	0.08	
1,329 RWE	68	0.08	

Portfolio

Portfolio statement (continued)

as at 31 July 2009

Holding	Value £'000	31.07.09 %	31.07.08 ^[a] %
Germany (continued)			
2,920	SAP	82	0.10
3,077	Siemens	147	0.18
1,500	ThyssenKrupp	28	0.03
3,091	TUI	13	0.02
440	Volkswagen	97	0.12
Greece		0.05	0.06
2,542	National Bank of Greece	44	0.05
Hong Kong		3.07	1.94
28,305	Bank of East Asia	57	0.07
80,000	BOC Hong Kong Holdings	103	0.13
18,500	Cheung Kong Holdings	144	0.18
40,000	China Mengniu Dairy	58	0.07
50,917	China Merchants Holdings	102	0.13
59,000	China Mobile	374	0.46
70,000	China Overseas Land & Investment	104	0.13
26,000	Citic Pacific	45	0.06
21,000	CLP Holdings	86	0.11
172,500	CNOOC	140	0.17
10,000	Esprit	44	0.05
160,000	Foxconn International Holdings	68	0.08
10,600	Hang Seng Bank	104	0.13
20,000	Henderson Land Development	80	0.10
23,035	Hong Kong Electric Holdings	77	0.09
15,000	Hong Kong Exchanges and Clearing	171	0.21
65,260	Hutchison Telecommunications	6	0.01
65,260	Hutchison Telecommunications 'H' Shares	10	0.01
30,500	Hutchison Whampoa	138	0.17
2,300	I-Cable Communications	0	0.00
157,000	Johnson Electric Holdings	28	0.03
52,000	Li & Fung	93	0.11
27,793	MTR	61	0.07
250	Prosperity REIT	0	0.00
21,000	Sun Hung Kai Properties	193	0.24
20,000	Swire Pacific 'A'	136	0.17
25,875	Wharf Holdings	73	0.09
Ireland		0.13	0.16
3,259	Allied Irish Banks	5	0.01
3,602	Bank of Ireland	6	0.01
2,686	CRH	39	0.05
3,900	Elan	19	0.02
5,000	Irish Life & Permanent	15	0.02
7,500	Ryanair Holdings	20	0.02
Italy		0.91	0.99
4,892	Assicurazioni Generali	68	0.08
26,526	Enel	86	0.11
9,778	Eni	138	0.17

Portfolio

Portfolio statement (continued)

as at 31 July 2009

Holding	Value £'000	31.07.09 %	31.07.08 ^[a] %
Italy (continued)			
3,746	Fiat	25	0.03
3,900	Finmeccanica	35	0.04
35,393	Intesa Sanpaolo	79	0.10
6,937	Mediaset	25	0.03
3,357	Saipem	55	0.07
52,022	Telecom Italia	49	0.06
40,000	Telecom Italia (Savings shares)	27	0.03
3,000	UBI Banca	25	0.03
72,746	UniCredito Italiano	130	0.16
Japan		3.47	3.18
470,000	Nomura TOPIX Exchange Traded Fund	2,835	3.47
Netherlands		0.82	0.74
6,940	Aegon	31	0.04
4,824	Ahold	33	0.04
4,438	ArcelorMittal	96	0.12
2,046	ASML Holding	32	0.04
1,795	Heineken	43	0.05
6,509	ING Groep	51	0.06
6,486	KPN	59	0.07
4,366	Philips Electronics	59	0.07
4,614	Reed Elsevier (Dutch listing)	29	0.04
2,158	Schlumberger	70	0.09
1,326	TNT	19	0.02
7,702	Unilever (Dutch listing)	126	0.15
2,037	Wolters Kluwer	24	0.03
New Zealand		0.05	0.06
38,369	Telecom Corporation of New Zealand	42	0.05
Norway		0.21	0.23
12,600	Norsk Hydro	44	0.05
4,034	Renewable Energy	19	0.02
5,966	StatoilHydro	76	0.09
7,000	Telenor	38	0.05
Singapore		1.04	0.73
82,500	CapitaLand	132	0.16
19,500	DBS Group Holdings	113	0.14
8,245	Haw Par	18	0.02
37,043	Oversea-Chinese Banking	121	0.15
10,267	Singapore Airlines	58	0.07
25,500	Singapore Press Holdings	38	0.05
105,278	Singapore Telecommunications	154	0.19
13,000	United Overseas Bank	96	0.12
60,900	UOL Group	89	0.11
7,000	Venture	28	0.03

Portfolio

Portfolio statement (continued)

as at 31 July 2009

Holding	Value £'000	31.07.09 %	31.07.08 ^[a] %
South Korea		2.69	1.79
1,458 CJ	36	0.04	
500 CJ Cheiljedang	43	0.05	
4,000 Daewoo Securities	46	0.06	
9,000 Hynix Semiconductor	78	0.10	
2,200 Hyundai Engineering & Construction	68	0.08	
750 Hyundai Heavy Industry	79	0.10	
3,000 Hyundai Merchant Marine	39	0.05	
3,100 Hyundai Motor	134	0.16	
4,000 Kangwon Land	32	0.04	
1,500 KT & G	53	0.06	
2,300 LG Corporation	75	0.09	
1,500 LG Electronics	96	0.12	
350 Lotte Shopping	53	0.06	
900 NHN	79	0.10	
980 POSCO	242	0.30	
1,440 Samsung Electronic	513	0.63	
1,000 Samsung Fire & Marine Insurance	101	0.12	
3,500 Samsung Heavy Industry	56	0.07	
1,600 Samsung Securities	60	0.07	
290 Shinsegae	76	0.09	
1,500 SK Energy	77	0.09	
900 SK Telecom	82	0.10	
12,500 Woori Finance Holdings	86	0.11	
Spain		1.18	1.14
1,800 ACS	57	0.07	
12,085 Banco Bilbao Vizcaya Argentaria	119	0.15	
5,610 Banco Popular Español	31	0.04	
29,127 Banco Santander Central Hispano	250	0.31	
2,400 Gamesa Technologica	32	0.04	
3,684 Gas Natural	42	0.05	
23,344 Iberdrola	121	0.15	
5,097 Repsol YPF	72	0.09	
15,444 Telefónica	233	0.28	
Sweden		0.56	0.51
8,000 Atlas Copco 'A'	56	0.07	
1,615 Electrolux 'B'	18	0.02	
9,950 Ericsson 'B'	57	0.07	
1,214 Hennes & Mauritz 'B'	43	0.05	
6,022 Husqvarna 'B'	23	0.03	
460 Loomis	3	0.00	
17,825 Nordea Bank	101	0.12	
5,980 Sandvik	33	0.04	

Portfolio

Portfolio statement (continued)

as at 31 July 2009

Holding	Value £'000	31.07.09 %	31.07.08 ^[a] %
Sweden (continued)			
2,300	Securitas 'B'	13	0.02
3,000	Skanska 'B'	25	0.03
5,442	Svenska Cellulosa 'B'	41	0.05
2,964	Swedbank 'A'	14	0.02
7,260	Volvo AB 'B'	31	0.04
		1.75	1.72
Switzerland			
9,000	ABB (Regd.)	98	0.12
800	Adecco (Regd.)	23	0.03
3,394	Compagnie Financière Richemont (Bearer)	50	0.06
4,296	Credit Suisse Group (Regd.)	121	0.15
86	Givauden	34	0.04
867	Holcim (Regd.)	31	0.04
2,000	Julius Baer	56	0.07
289	Lonza Group	17	0.02
12,570	Nestlé (Regd.)	310	0.38
7,288	Novartis (Regd.)	198	0.24
700	Pargesa Holdings (Bearer)	29	0.04
2,270	Roche Holding 'Genussscheine' (non-voting)	212	0.26
1,263	Swiss Reinsurance (Regd.)	29	0.04
390	Syngenta (Regd.)	54	0.07
9,595	UBS (Regd.)	81	0.10
590	Zurich Financial Services Group (Regd.)	70	0.09
		1.97	1.25
Taiwan			
50,792	ASUSTeK Computer	49	0.06
102,931	AU Optronics	69	0.08
107,154	Cathay Financial Holdings	99	0.12
176,142	China Steel	103	0.13
264,706	Chinatrust Financial	101	0.12
40,429	Chunghwa Telecom	49	0.06
40,800	Delta Electronics	64	0.08
156,200	Far Eastern Textile	106	0.13
103,000	Formosa Chemical & Fibre	97	0.12
99,189	Formosa Plastics	103	0.13
81,249	Hon Hai Precision Industry	169	0.21
7,000	HTC (formerly High Tech Computer)	58	0.07
11,688	Mediatek	101	0.12
90,000	Taiwan Cement	58	0.07
302,531	Taiwan Semiconductor Manufacturing	328	0.40
224,696	United Microelectronics	60	0.07

Portfolio

Portfolio statement (continued)

as at 31 July 2009

Holding	Value £'000	31.07.09 %	31.07.08 ^[a] %
United Kingdom		56.32	58.07
Government stocks		14.75	13.60
£398,000	Conversion 9% 2011	454	0.56
£781,000	Treasury 2.25% 2014	750	0.92
£410,000	Treasury 3.25% 2011	422	0.52
£186,000	Treasury 4% 2016	192	0.23
£295,000	Treasury 4.25% 2039	279	0.34
£264,000	Treasury 4.25% 2046	251	0.31
£400,000	Treasury 4.25% 2049	381	0.47
£359,000	Treasury 4.25% 2055	344	0.42
£380,000	Treasury 4.5% 2013	402	0.49
£1,228,000	Treasury 4.5% 2019	1,289	1.58
£399,000	Treasury 4.5% 2042	395	0.48
£653,000	Treasury 4.75% 2020	699	0.85
£1,174,000	Treasury 4.75% 2030	1,201	1.47
£890,000	Treasury 4.75% 2038	919	1.12
£1,006,000	Treasury 5% 2025	1,068	1.31
£552,000	Treasury 5.25% 2012	594	0.73
£168,000	Treasury 6.25% 2010	180	0.22
£132,000	Treasury 8% 2013	158	0.19
£663,000	Treasury 8% 2015	841	1.03
£324,000	Treasury 8% 2021	448	0.54
£581,000	Treasury 8.75% 2017	790	0.97
Oil & gas producers		7.48	7.91
83,998	BG Group	853	1.04
467,188	BP	2,345	2.87
3,718	Cairn Energy	88	0.11
13,126	Emerald Energy	81	0.10
88,273	Royal Dutch Shell 'A'	1,392	1.70
67,339	Royal Dutch Shell 'B'	1,055	1.29
5,110	Soco International	66	0.08
23,786	Tullow Oil	236	0.29
Oil equipment, services & distribution		0.19	0.06
13,600	AMEC	94	0.11
12,013	Wellstream Holdings	63	0.08
Chemicals		0.12	0.18
63,457	Elementis	20	0.02
6,000	Johnson Matthey	84	0.10
Forestry & paper		0.03	0.03
9,734	Mondi	26	0.03
Mining		4.17	5.33
35,206	Anglo American	671	0.82
13,333	Aquarius Platinum	33	0.04
55,229	BHP Billiton (London listing)	866	1.06
10,000	Eurasian Natural Resources	89	0.11

Portfolio

Portfolio statement (continued)

as at 31 July 2009

Holding	Value £'000	31.07.09 %	31.07.08 ^[a] %
United Kingdom			
Mining (continued)			
7,000	Fresnillo	44	0.05
6,000	Kazakhmys	51	0.06
5,168	Lonmin	71	0.09
1,674	Peter Hambro Mining	11	0.01
3,000	Randgold Resources	110	0.13
36,856	Rio Tinto (Regd.)	913	1.12
7,500	Vedanta Resources	132	0.16
54,216	Xstrata	425	0.52
Aerospace & defence		0.75	0.90
88,572	BAE Systems	279	0.34
37,260	Cobham	67	0.08
42,850	QinetiQ Group	57	0.07
52,428	Rolls-Royce Group	216	0.26
Construction & materials		0.16	0.10
8,857	Balfour Beatty	27	0.03
19,909	Carillion	51	0.06
115,664	Galliford Try	61	0.07
9,500	Heywood Williams Group	0	0.00
Electronic & electrical equipment		0.21	0.18
13,400	Domino Printing Sciences	32	0.04
32,351	Invensys	84	0.10
8,800	Spectris	49	0.06
23,000	TT Electronics	10	0.01
General industrials		0.22	0.32
14,300	Cookson Group	44	0.05
18,312	Rexam	43	0.05
6,658	Rexam nil paid	6	0.01
6,929	Smiths Group	50	0.06
22,174	Tomkins	39	0.05
Industrial engineering		0.22	0.28
12,100	IMI	41	0.05
53,183	Melrose	61	0.07
6,000	Vitec Group	16	0.02
11,290	Weir Group	62	0.08
Industrial transportation		0.07	0.07
27,353	BBA Aviation	37	0.05
10,801	Wincanton	20	0.02
Support services		1.21	1.29
9,147	Aggreko	49	0.06
14,128	BSS Group	37	0.05
10,008	Bunzl	52	0.06
18,447	Capita Group	123	0.15

Portfolio

Portfolio statement (continued)

as at 31 July 2009

Holding		Value £'000	31.07.09 %	31.07.08 ^[a] %
United Kingdom				
Support services (continued)				
14,584	Davis Service Group	50	0.06	
4,962	De La Rue	41	0.05	
14,421	Electrocomponents	21	0.03	
28,296	Experian Group	140	0.17	
6,434	Filtrona	8	0.01	
41,937	G4S (formerly Group 4 Securicor)	90	0.11	
13,651	Premier Farnell	20	0.02	
48,900	Rentokil Initial	48	0.06	
14,872	Serco Group	60	0.07	
14,400	SIG	17	0.02	
34,336	Smiths News	37	0.05	
41,009	Spring Group	15	0.02	
7,200	St. Ives	3	0.00	
6,669	Travis Perkins	55	0.07	
8,947	Wolseley	119	0.15	
Automobiles & parts			0.04	0.04
35,981	GKN	36	0.04	
Beverages			1.20	1.04
63,171	Diageo	599	0.73	
28,200	SABMiller	388	0.47	
Food producers			1.08	0.99
10,428	Associated British Foods	84	0.10	
32,042	Cadbury	191	0.23	
67,019	Premier Foods	26	0.03	
14,564	Tate & Lyle	54	0.07	
33,303	Unilever (London listing)	528	0.65	
Household goods & home construction			0.89	0.68
31,258	Barratt Developments	63	0.08	
8,235	Bovis Homes Group	37	0.05	
9,163	Persimmon	41	0.05	
18,530	Reckitt Benckiser	537	0.66	
108,250	Taylor Wimpey	42	0.05	
Personal goods			0.10	0.10
7,558	Burberry Group	35	0.04	
8,844	SSL International	50	0.06	
Tobacco			1.69	1.36
49,417	British American Tobacco	929	1.14	
26,020	Imperial Tobacco	448	0.55	
Healthcare equipment & services			0.16	0.17
25,082	Smith & Nephew	119	0.15	
8,000	Southern Cross Healthcare Group	11	0.01	

Portfolio

Portfolio statement (continued)

as at 31 July 2009

Holding	Value £'000	31.07.09 %	31.07.08 ^[a] %
United Kingdom			
Pharmaceuticals & biotechnology		3.33	3.13
36,333	AstraZeneca	1,032	1.26
130,117	GlaxoSmithKline	1,501	1.84
8,000	Hikma Pharmaceuticals	35	0.04
124,000	Oxford Biomedica	13	0.02
15,635	Shire	139	0.17
Food & drug retailers		1.28	1.22
68,717	Morrison (Wm.) Supermarkets	186	0.23
45,805	Sainsbury (J.)	146	0.18
192,713	Tesco	715	0.87
General retailers		0.76	0.66
5,790	Brown (N.) Group	13	0.02
100,033	DSG International	25	0.03
8,000	Findel	3	0.00
19,200	Findel (non-renounceable rights)	4	0.00
51,395	Galiform	28	0.03
28,053	HMV Group	31	0.04
27,312	Home Retail Group	85	0.10
130,000	Inchcape	35	0.04
21,104	Kesa Electricals	27	0.03
67,769	Kingfisher	143	0.17
42,732	Marks & Spencer Group	147	0.18
5,740	NEXT	99	0.12
Media		1.08	1.06
26,564	Aegis Group	22	0.03
30,200	British Sky Broadcasting Group	165	0.20
9,014	Daily Mail & General Trust 'A' (non-voting)	27	0.03
33,713	Informa	81	0.10
99,333	ITV	41	0.05
18,212	Johnston Press	3	0.00
20,856	Pearson	145	0.18
30,872	Reed Elsevier (London listing)	131	0.16
2,225	Rightmove	9	0.01
4,063	Thompson Reuters	78	0.10
12,109	Trinity Mirror	10	0.01
6,254	United Business Media	26	0.03
30,586	WPP Group	140	0.17
22,000	Yell Group	7	0.01
Travel & leisure		0.96	1.16
7,000	Arriva	30	0.04
35,466	British Airways	51	0.06
5,716	Carnival	100	0.12
44,902	Compass Group	144	0.18

Portfolio

Portfolio statement (continued)

as at 31 July 2009

Holding	Value £'000	31.07.09 %	31.07.08 ^[a] %
United Kingdom			
Travel & leisure (continued)			
9,710	easyJet	29	0.04
16,400	Enterprise Inns	23	0.03
10,800	FirstGroup	36	0.04
12,380	Greene King	52	0.06
7,788	InterContinental Hotels Group	53	0.06
20,008	Ladbrokes	35	0.04
24,628	Marston's	23	0.03
9,608	Mitchells & Butlers	25	0.03
15,480	Rank Group	12	0.01
17,777	Restaurant Group	28	0.03
31,743	Stagecoach Group	42	0.05
10,029	TUI Travel	23	0.03
5,521	Whitbread	48	0.06
20,000	William Hill	37	0.05
Fixed line telecommunications		0.42	0.56
182,519	BT Group	229	0.28
65,603	Cable & Wireless	94	0.11
23,915	Colt Telecom Group	27	0.03
Mobile telecommunications		2.05	2.16
15,000	Inmarsat	83	0.10
1,305,450	Vodafone Group	1,596	1.95
Electricity		0.48	0.83
9,787	Drax Group	40	0.05
36,909	International Power	95	0.12
22,727	Scottish & Southern Energy	254	0.31
Gas, water & multi-utilities		0.99	1.17
123,734	Centrica	276	0.34
58,119	National Grid	327	0.40
12,000	Northumbrian Water Group	28	0.03
11,455	Penon Group	53	0.06
5,600	Severn Trent	55	0.07
16,439	United Utilities	75	0.09
Banks		5.70	6.26
271,863	Barclays	832	1.02
430,369	HSBC Holdings	2,624	3.21
369,818	Lloyds Banking Group	312	0.38
427,309	Royal Bank of Scotland Group	190	0.23
49,192	Standard Chartered	702	0.86
Equity investment instruments		1.16	1.29
8,604	Aberforth Smaller Companies Trust	42	0.05
23,150	Alliance Trust	67	0.08
14,400	Blackrock World Mining Trust	62	0.08
2,659	Caledonia Investments	41	0.05

Portfolio

Portfolio statement (continued)

as at 31 July 2009

Holding	Value £'000	31.07.09 %	31.07.08 ^[a] %
United Kingdom			
Equity investment instruments (continued)			
25,000	Edinburgh Dragon Trust	42	0.05
14,452	Edinburgh Investment Trust	47	0.06
3,088	Electra Investment Trust	31	0.04
4,000	Fidelity European Values	38	0.05
28,582	Foreign & Colonial Investment Trust	68	0.08
11,784	INVESCO English and International Trust	21	0.03
6,000	JPMorgan Mercantile Investment Trust	49	0.06
15,000	Monks Investment Trust	38	0.05
8,224	RIT Capital Partners	80	0.10
15,000	Scottish Investment Trust	58	0.07
13,178	Scottish Mortgage Investment Trust	57	0.07
17,850	SVG Capital	20	0.02
17,690	Templeton Emerging Markets Investment Trust	72	0.09
13,650	TR European Growth Trust	42	0.05
18,214	Witan Investment Trust	66	0.08
Financial services		0.75	1.04
27,472	3i Group	75	0.09
3,729	Close Brothers Group	26	0.03
5,346	F&C Asset Management	4	0.00
16,255	ICAP	74	0.09
12,667	International Personal Finance	17	0.02
14,500	Investec	58	0.07
8,008	London Stock Exchange	58	0.07
49,509	Man Group	141	0.17
371	Panmure Gordon & Co	0	0.00
6,333	Provident Financial	51	0.06
5,000	Rathbone Brothers	37	0.05
7,932	Schroders	78	0.10
Life insurance		1.14	1.36
69,387	Aviva	248	0.30
16,075	Chesnara	24	0.03
53,466	Friends Provident	38	0.05
127,388	Legal & General Group	83	0.10
136,372	Old Mutual	131	0.16
60,000	Prudential	268	0.33
11,094	St. James's Place	20	0.02
58,619	Standard Life	119	0.15
Non-life insurance		0.36	0.34
12,277	Amlin	41	0.05
20,805	Brit Insurance	44	0.05
14,481	Catlin Group	45	0.06
9,117	Jardine Lloyd Thompson Group	40	0.05
96,621	RSA Insurance Group (formerly Royal & Sun Alliance)	124	0.15

Portfolio

Portfolio statement (continued)

as at 31 July 2009

Holding	Value £'000	31.07.09 %	31.07.08 ^[a] %
Real estate investment & services		0.05	0.05
7,000	Savills	24	0.03
12,000	UNITE Group	15	0.02
Real estate investment trusts		0.62	0.75
23,270	British Land	102	0.12
3,526	Derwent Valley Holdings	34	0.04
18,175	Hammerson	63	0.08
45,000	ING UK Real Estate Income	17	0.02
20,488	Land Securities Group	110	0.13
13,040	Liberty International	58	0.07
19,915	Segro	55	0.07
13,333	Shaftesbury	45	0.06
21,000	TR Property Investment Trust	27	0.03
Software & computer services		0.32	0.32
5,994	Autonomy	72	0.09
12,500	Computacenter	27	0.03
65,124	Dimension Data Holdings	40	0.05
38,708	LogicaCMG	40	0.05
15,462	Misys	28	0.03
453	Parity Group	0	0.00
30,709	Sage Group	60	0.07
Technology hardware & equipment		0.13	0.08
35,508	ARM Holdings	45	0.06
17,271	Imagination Technologies Group	29	0.04
11,169	Psion	7	0.01
18,457	Spirent Communications	13	0.02
AIM quoted		0.00	0.00
9,831	blinkx	1	0.00
Unquoted / unlisted		0.00	0.00
16,213	Bradford & Bingley	0	0.00
3,333	Full Circle Future (Primback Entitlement Units)	0	0.00
11,008	Northern Rock	0	0.00
126,189	Woolworths Group	0	0.00
United States		8.68	8.60
1,080	3M	46	0.06
1,300	5th Third Bancorp	7	0.01
2,056	Abbott Laboratories	57	0.07
1,000	Adobe Systems	19	0.02
5,500	Alcoa	38	0.05
1,127	Allstate	18	0.02
2,293	Altria Group	24	0.03
2,050	American Electric Power	38	0.05
3,225	American Express	55	0.07
101	American International Group	1	0.00

Portfolio

Portfolio statement (continued)

as at 31 July 2009

Holding	Value £'000	31.07.09 %	31.07.08 ^[a] %
United States (continued)			
1,045	Ameriprise Financial	18	0.02
1,965	Amgen	75	0.09
1,500	Aon Corp	36	0.04
1,150	Apple	113	0.14
1,627	Applied Materials	13	0.02
2,000	Archer Daniels Midland	36	0.04
105	Ascent Media	2	0.00
9,184	AT&T	146	0.18
1,272	Automatic Data Processing	28	0.03
9,667	Bank of America	82	0.10
3,354	Bank of New York Mellon	56	0.07
1,300	Baxter International	44	0.05
1	Berkshire Hathaway	58	0.07
1,400	Best Buy Co	31	0.04
1,008	BNSF	48	0.06
1,113	Boeing	29	0.04
6,000	Boston Scientific	39	0.05
4,793	Bristol-Myers Squibb	62	0.08
1,818	Broadridge Financial Solutions	19	0.02
500	Capital One Financial	9	0.01
2,020	Cardinal Health	41	0.05
1,244	Carnival	21	0.03
2,100	Caterpillar	55	0.07
7,383	CBS 'B'	36	0.04
284	Centurytel	5	0.01
2,724	Chevron	111	0.14
1,242	CIGNA	21	0.03
9,108	Cisco Systems	121	0.15
7,004	Citigroup	13	0.02
3,459	Coca-Cola	104	0.13
1,497	Colgate-Palmolive	65	0.08
3,121	Comcast 'A'	28	0.03
1,516	Computer Associates	19	0.02
1,892	ConocoPhillips	49	0.06
1,200	Costco Wholesale	36	0.04
1,402	Covidien	32	0.04
2,000	CVS	41	0.05
1,000	D.R. Horton	7	0.01
800	Danaher Group	30	0.04
3,262	Dell	27	0.03
800	Devon Energy	28	0.03
750	Discover Financial Services	5	0.01
1,050	Discovery Communications 'A'	15	0.02
1,050	Discovery Communications 'C'	14	0.02
1,600	Dominion Resources	33	0.04
1,148	Donnelley RR & Son	10	0.01
2,562	Dow Chemical	33	0.04

Portfolio

Portfolio statement (continued)

as at 31 July 2009

Holding	Value £'000	31.07.09 %	31.07.08 ^[a] %
United States (continued)			
2,593 Duke Energy	24	0.03	
3,400 DuPont	63	0.08	
4,076 Ebay	53	0.06	
3,000 Electronic Arts	38	0.05	
1,445 Eli Lilly	31	0.04	
2,492 Emc	23	0.03	
1,872 Emerson Electronic	42	0.05	
1,000 Equity Residential	14	0.02	
1,240 Exelon	39	0.05	
6,556 Exxon Mobil	280	0.34	
46 FairPoint Communications	0	0.00	
600 FirstEnergy	15	0.02	
4,435 Ford Motor	20	0.02	
700 FPL Group	24	0.03	
2,400 Gap	24	0.03	
600 General Dynamics	20	0.02	
13,867 General Electric	110	0.13	
1,401 General Mills	50	0.06	
688 Genuine Parts	15	0.02	
1,000 Genzyme	34	0.04	
600 Goldman Sachs Group	59	0.07	
320 Google	86	0.11	
2,200 Halliburton	29	0.04	
2,986 Hewlett-Packard	77	0.09	
2,903 Home Depot	45	0.06	
1,045 Honeywell International	22	0.03	
925 Hospira	22	0.03	
1,152 Illinois Tool Works	28	0.03	
1,500 Ingersoll-Rand	26	0.03	
8,303 Intel	97	0.12	
1,600 International Business Machines	114	0.14	
818 International Paper	9	0.01	
2,599 Invesco	31	0.04	
3,837 Johnson & Johnson	143	0.18	
5,197 JPMorgan Chase	121	0.15	
1,586 Kraft Foods	27	0.03	
880 Liberty Global 'A'	11	0.01	
350 Liberty Media - Capital 'A'	3	0.00	
1,400 Liberty Media - Entertainment 'A'	23	0.03	
1,752 Liberty Media - Interactive 'A'	7	0.01	
600 Lockheed Martin	27	0.03	
918 Loews	16	0.02	
757 Lorillard	33	0.04	
2,118 Lowes	28	0.03	
4,618 LSI	15	0.02	
1,600 Macy's	13	0.02	
2,400 Marathon Oil	46	0.06	

Portfolio

Portfolio statement (continued)

as at 31 July 2009

Holding	Value £'000	31.07.09 %	31.07.08 ^[a] %
United States (continued)			
3,074 Masco	25	0.03	
1,498 McDonald's	50	0.06	
1,162 Medco Health Solutions	38	0.05	
1,614 Medtronic	34	0.04	
2,373 Merck	43	0.05	
2,526 Metlife	51	0.06	
12,368 Microsoft	178	0.22	
740 Monsanto	38	0.05	
2,500 Morgan Stanley	43	0.05	
2,626 Motorola	11	0.01	
4,000 New York Community Bancorp	26	0.03	
848 Newell Rubbermaid	7	0.01	
2,117 Newmont Mining	51	0.06	
2,000 News Corporation	13	0.02	
856 Northrop Grumman	23	0.03	
1,200 Occidental Petroleum	51	0.06	
6,426 Oracle	86	0.11	
2,257 PepsiCo	77	0.09	
7,472 Pfizer	72	0.09	
2,293 Philip Morris International	65	0.08	
978 PNC Financial Services	21	0.03	
3,493 Procter & Gamble	119	0.15	
2,200 Progressive	21	0.03	
600 Prudential Financial	16	0.02	
1,000 Public Service Enterprise	20	0.02	
2,900 Qualcomm	81	0.10	
1,365 Safeway	16	0.02	
3,170 Schering-Plough	51	0.06	
3,477 Schwab (Charles)	37	0.05	
3,500 Seagate Technology	26	0.03	
1,132 Sealed Air	13	0.02	
1,100 Sempra Energy	35	0.04	
515 Simon Property Group	17	0.02	
624 Slm	3	0.00	
1,455 Southern	28	0.03	
1,296 Spectra Energy	14	0.02	
10,660 Sprint Nextel	26	0.03	
2,000 Starbucks	21	0.03	
4,273 Sun Microsystems	24	0.03	
2,998 SunTrust Banks	34	0.04	
1,500 Symantec	13	0.02	
1,300 Sysco	18	0.02	
1,332 Target	35	0.04	
2,290 Tellabs	8	0.01	
1,606 Texas Instruments	23	0.03	
4,000 The Hartford Financial Services Group	41	0.05	
1,049 The Travelers Companies	27	0.03	

Portfolio

Portfolio statement (continued)

as at 31 July 2009

Holding	Value £'000	31.07.09 %	31.07.08 ^[a] %
United States (continued)			
1,483 Time Warner	24	0.03	
372 Time Warner Cable	8	0.01	
882 Transocean	42	0.05	
2,002 Tyco Electronics	26	0.03	
1,402 Tyco International	25	0.03	
1,954 Union Pacific	67	0.08	
1,000 United Parcel Service 'B'	32	0.04	
2,000 United Technologies	65	0.08	
1,834 UnitedHealth Group	31	0.04	
2,000 US Bancorp	25	0.03	
1,400 Valero Energy	15	0.02	
4,582 Verizon Communications	89	0.11	
866 VF	34	0.04	
1,283 Viacom 'B'	18	0.02	
1,012 Virgin Media	6	0.01	
822 Vornado Realty Trust	25	0.03	
1,477 Walgreen	28	0.03	
3,381 Wal-Mart Stores	102	0.12	
2,179 Walt Disney	34	0.04	
1,398 Waste Management	24	0.03	
1,000 WellPoint	31	0.04	
6,466 Wells Fargo	97	0.12	
1,444 Western Union	16	0.02	
2,133 Wyeth	60	0.07	
2,400 Wyndham Worldwide	20	0.02	
2,164 Yahoo	19	0.02	
1,025 Zimmer Holdings	28	0.03	
Portfolio of investments (notes 1b & 1d)	76,600	93.69	91.12
Net other assets	5,159	6.31	8.88
Net assets attributable to unitholders	81,759	100.00	100.00

[a] The comparative sector weightings have been re-analysed to reflect changes to sector classifications.

Asset class split	Value £'000	31.07.09 %	31.07.08 %
Bonds	12,057	14.75	13.60
Equities	64,543	78.94	77.52
Net other assets	5,159	6.31	8.88
Net assets attributable to unitholders	81,759	100.00	100.00

Financial statements

for the year ended 31 July 2009

Statement of total return

	Note	2009		2008 ^[a]	
		£'000	£'000	£'000	£'000
Income					
Net capital losses	3		(4,868)		(10,433)
Revenue	4	3,062		3,468	
Expenses	5	(51)		(58)	
Net revenue before taxation		3,011		3,410	
Taxation	6	(322)		(377)	
Net revenue after taxation			2,689		3,033
Total return before distributions			(2,179)		(7,400)
Finance costs: Distributions	12		(2,476)		(2,844)
Change in net assets attributable to unitholders from investment activities			(4,655)		(10,244)

[a] Restated (see note 1a).

Statement of change in unitholders' net assets

	2009		2008	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		85,062		92,670
Amounts received on issue of units	3,755		4,810	
Amounts paid on cancellation of units	(2,435)		(2,214)	
		1,320		2,596
Stamp Duty Reserve Tax (SDRT)		(6)		(4)
Change in net assets attributable to unitholders from investment activities (see above)		(4,655)		(10,244)
Retained distributions on Accumulation units		38		44
Closing net assets attributable to unitholders		81,759		85,062

Financial statements

Balance sheet

	as at 31 July 2009		as at 31 July 2008	
	£'000	£'000	£'000	£'000
Assets				
Investment assets		76,600		77,505
Debtors				
Bank interest receivable	0		33	
Debt security interest receivable	146		169	
Dividends receivable	215		229	
Overseas tax recoverable	38		20	
Sales awaiting settlement	1		0	
Special dividends receivable	0		36	
Tax recoverable	15		2	
		415		489
Cash and bank balances	6,270		8,970	
		6,270		8,970
Total other assets		6,685		9,459
Total assets		83,285		86,964
Liabilities				
Creditors				
Amounts payable on cancellations	(101)		(18)	
Corporation tax payable	(111)		(139)	
Deferred taxation	0		(9)	
Expenses payable	(14)		(13)	
Net distributions payable on Income units	(1,279)		(1,723)	
Purchases awaiting settlement	(21)		0	
Total liabilities		(1,526)		(1,902)
Net assets attributable to unitholders		81,759		85,062

Financial statements

Notes to the financial statements

1 Accounting policies

a) **Basis of accounting**

The financial statements have been prepared on the same basis as the audited annual financial statements for the year ended 31 July 2008. They are in accordance with the historical cost convention, as modified by the revaluation of investments, and the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (IMA) in November 2008 (the IMA SORP 2008).

During the year, the trust has adopted the IMA SORP 2008. This has resulted in presentational changes to the statement of total return whereby currency gains and transaction charges are now classified as capital gains or losses. The effect of this is to remove £31,000 (2008: £29,000) from 'Currency gains' and to reduce 'Expenses' by £4,000 (2008: £6,000), with a corresponding change in 'Net capital losses'.

b) **Basis of valuation of investments**

All investments are valued at their fair value as at 12 noon on 31 July 2009, being the last business day of the financial year. The fair value of non-derivative securities is bid price, excluding any accrued interest, and the fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. Unquoted investments are shown at the Manager's valuation.

c) **Investment gains and losses**

Gains and losses, including exchange differences, on the realisation of investments and increases and decreases in the valuation of investments held at the balance sheet date, including unrealised exchange differences, are treated as capital.

d) **Exchange rates**

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling as at 12 noon on 31 July 2009, being the last business day of the financial year.

Financial statements

Notes to the financial statements (continued)

1 Accounting policies (continued)

e) **Derivative financial instruments**

Gains and losses on derivative contracts are accounted for in accordance with the fund manager's intention on entering into the contracts. Where the intention is to protect or enhance capital return, gains or losses are recognised in net capital losses; where the intention is to generate or protect revenue, the costs or income are recognised in net revenue before taxation.

f) **Dividend and interest income**

Dividends from quoted equity and non-equity shares are recognised net of attributable tax credits when the security is quoted ex-dividend. Overseas dividends received after the deduction of withholding tax are shown gross of taxation, with the taxation consequences shown within the taxation charge. Dividends are recognised as either revenue or capital depending upon the nature and circumstances of the dividend receivable.

Bank interest is recognised on an accruals basis and treated as revenue.

Interest on debt securities is recognised on an accruals basis, taking into account the effective yield on the investment and is treated as revenue. The effective yield basis amortises any discount or premium on the purchase of an investment over its remaining life based on estimated future cashflows. Any adjustments resulting from changes in cashflow estimates are treated as capital.

g) **Stock dividends**

The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the trust. Any enhancement above the cash dividend is treated as capital.

h) **Underwriting commission**

This is treated as revenue and recognised when the issue takes place, except where the trust is required to take up all or some of the shares underwritten, in which case the commission is deducted from the cost of these shares.

i) **Expenses**

For accounting purposes, all expenses (other than those relating to the purchase and sale of investments and Stamp Duty Reserve Tax) are charged against revenue for the year on an accruals basis.

Financial statements

Notes to the financial statements (continued)

1 Accounting policies (continued)

- j) **Apportionment of income and expenses to multiple unit classes**
With the exception of the Manager's periodic charge and registration fees, which are directly attributable to individual unit classes, all income and expenses are apportioned to the trust's unit classes pro-rata to the value of the net assets of the relevant unit class on the day that the income or expenses are recognised.
- k) **Taxation**
The rate of corporation tax for the trust is 20%, with relief for double taxation taken where appropriate. The tax accounting treatment follows the principal amounts involved.
- l) **Deferred taxation**
Deferred tax is provided for in respect of timing differences that have originated but not reversed by the balance sheet date, with the exception of those regarded as permanent differences. Any liability to deferred tax is provided at the average rate of tax expected to apply. A deferred tax asset is recognised to the extent that it is expected to be utilised, based on the likelihood of taxable profits arising in the next twelve month period from which the future reversal of timing differences can be deducted. Deferred tax assets and liabilities are not discounted to reflect the time value of money.
- m) **Distribution policy**
The policy of the trust is to distribute all available income, excluding any items treated as capital in accordance with the above policies and after deduction of expenses properly chargeable against revenue. Stock dividends do not form part of the distributable income.

Income attributable to Accumulation unitholders is retained at the end of each distribution period and represents a reinvestment of income. All remaining income is distributed in accordance with the Collective Investment Schemes sourcebook.

Distributions which have remained unclaimed by unitholders for more than six years are credited to the capital property of the trust.

Financial statements

Notes to the financial statements (continued)

2 Risk management policy

In pursuing the trust's investment objective, as set out on page 1, the Manager accepts market price risk, interest rate risk and currency risk in relation to the investment portfolio.

The capital value of equity investments within the trust is influenced by the performance of the stockmarkets the trust is invested in.

The Prospectus permits the trust to use derivative instruments to gain exposure to the Japanese market for the purpose of efficient portfolio management.

The capital value of fixed interest investments within the trust may be affected by interest rate fluctuations. When interest rates rise the capital value is likely to fall and vice versa. The effect is more apparent where portfolios are invested in long dated securities, such as this trust.

The trust holds overseas investments and exchange rate fluctuations can affect both capital and income values.

The capital and income value of the trust's underlying investments can be affected by currency translation movements, where the assets are denominated in currencies other than sterling, which is the trust's functional currency. The fund manager reviews the underlying risk when considering asset allocation. Currency risk resulting from investing in stocks listed outside the UK is not hedged.

Income arising in foreign currencies is generally converted into sterling shortly after receipt and is not hedged in advance of receipt.

The trust's assets comprise securities that can be readily realised to meet obligations that may arise on the redemption of units. It is the Manager's policy that the trust should normally be close to fully invested but this is subject to the need to retain liquidity for the purpose of effecting the redemption of units, and the efficient management of the trust in accordance with its objectives. There may, therefore, be occasions when there will be higher levels of liquidity, for example following the issue of units or the realisation of investments. Higher liquidity levels may also arise when the trust's asset allocation policy is changed.

The objective of the trust is to invest in a spread of assets, which from time to time could include cash. Therefore, the Manager may deliberately hold cash such that the trust may not be considered close to fully invested.

These policies have been consistently applied since the beginning of the financial year (31.07.08: same).

Financial statements

Notes to the financial statements (continued)

3 Net capital losses

	2009 £'000	2008 ^[a] £'000
Non-derivative securities	(4,961)	(10,456)
Currency gains	31	29
Special dividends taken to capital	66	0
Transaction charges	(4)	(6)
Net capital losses	(4,868)	(10,433)

[a] Restated (see note 1a).

4 Revenue

	2009 £'000	2008 £'000
Bank interest	144	370
HM Revenue & Customs interest	0	1
Interest on debt securities	563	539
Overseas dividends	866	877
Property income dividends	17	9
Stock dividends	234	208
UK dividends	1,223	1,459
Underwriting commission	15	5
Total revenue	3,062	3,468

5 Expenses

	2009 £'000	2008 ^[a] £'000
Payable to the Manager or associate		
Manager's periodic charge	26	33
Payable to the Trustee or associate		
Trustee's fee (including VAT)	7	9
Other expenses		
Audit fee (including VAT)	10	9
Safe custody charge	6	7
Tax consultancy fees ^[b]	2	1
	18	17
VAT recoverable		
Prior year	0	(1)
Total expenses	51	58

[a] Restated (see note 1a).

[b] Fees paid to overseas firms affiliated with PricewaterhouseCoopers LLP.

Financial statements

Notes to the financial statements (continued)

6 Taxation

	2009 £'000	2008 £'000
a) Analysis of charge in the year		
Corporation tax	320	364
Overseas tax	109	100
Overseas tax recoverable: exchange rate movements	3	2
Overseas tax recoverable: written off	0	4
Double taxation relief	(90)	(96)
Prior period adjustment	(11)	0
	<hr/>	<hr/>
Current tax charge (note 6b)	331	374
Deferred tax (note 6c)	(9)	3
Total taxation	322	377
b) Factors affecting taxation charge for the year		
Net income before taxation	3,011	3,410
	<hr/>	<hr/>
Corporation tax at 20%	602	682
Effects of:		
Tax on special dividends taken to capital	8	8
UK dividends ^[a]	(245)	(292)
Stock dividends not taxable	(36)	(27)
Overseas dividends not taxable	(28)	0
Income taxable in different periods	19	(7)
Overseas tax	109	100
Overseas tax recoverable: exchange rate movements	3	2
Overseas tax recoverable: written off	0	4
Double taxation relief	(90)	(96)
Prior period adjustment	(11)	0
	<hr/>	<hr/>
Current tax charge (note 6a)	331	374
c) Provision for deferred taxation		
Provision at the start of the year	9	6
Deferred tax in profit and loss account (note 6a)	(9)	3
	<hr/>	<hr/>
Provision at the end of the year	0	9

[a] As an authorised unit trust this item is not subject to corporation tax.

The trust does not have an unrecognised deferred tax asset at the year end (31.07.08: same).

Financial statements

Notes to the financial statements (continued)

7 Contingent liabilities and outstanding commitments

Rights issues

At the balance sheet date, the trust had a contingent liability totalling £17,213 represented by rights issues on the following stocks:

- i) £3,386 in respect of 16,925 Australand Property Group nil paid shares, whereby seven nil paid shares were issued for every ten ordinary shares held. The nil paid shares may be exercised on 7 August 2009 at AUD0.40 per share.
- ii) £9,987 in respect of 6,658 Rexam nil paid shares, whereby four nil paid shares were issued for every eleven ordinary shares held. The nil paid shares may be exercised on 18 August 2009 at £1.50 per share.
- iii) £3,840 in respect of 19,200 Findel non-renounceable shares, whereby twelve shares were issued for every five ordinary shares held. The non-renounceable shares may be exercised on 10 August 2009 at £0.20 per share.

As at 31 July 2008, the trust had a contingent liability totalling £22,018 in respect of outstanding rights issues.

Warrants

There were no outstanding commitments at the balance sheet date (31.07.08: same).

Financial statements

Notes to the financial statements (continued)

8 Related parties

Prudential Unit Trusts Limited, as Manager and The Royal Bank of Scotland plc, as Trustee, are regarded as controlling parties by virtue of having the ability to act in concert in respect of the operations of the trust. Prudential Unit Trusts Limited acts as principal on all the transactions of units in the trust except with in-specie transactions, where Prudential Unit Trusts Limited acts as an agent. The aggregate monies received through issues, and paid on cancellations, are disclosed in the statement of change in unitholders' net assets and note 12. Amounts due to / from Prudential Unit Trusts Limited in respect of unit transactions at the year end are disclosed in the balance sheet where applicable.

Amounts paid to Prudential Unit Trusts Limited in respect of the Manager's periodic charge and amounts paid to The Royal Bank of Scotland plc in respect of the Trustee's fee are disclosed in note 5. Amounts due at the year end are disclosed in the balance sheet where applicable.

During the year, there were transactions in shares in related parties of Prudential Unit Trusts Limited with a total value of £21,000 (2008: £nil) and shares in related parties of The Royal Bank of Scotland plc with a total value of £110,000 (2008: £594,000).

At the balance sheet date, the trust held shares in related parties of Prudential Unit Trusts Limited with a value of £268,000 (31.07.08: £348,000) and, the trust held shares in related parties of The Royal Bank of Scotland plc with a value of £190,000 (31.07.08: £865,000).

At the balance sheet date, material unitholders from within Prudential plc, of which Prudential Unit Trusts Limited is a wholly owned subsidiary, have holdings totalling 97.79% (31.07.08: 97.72%) of the trust's units.

Financial statements

Notes to the financial statements (continued)

9 Financial instruments

The policies applied in the management of financial instruments are set out in note 2.

Short-term debtors and creditors have only been included in respect of the currency exposure when this is applicable (31.07.08: same).

Currency exposure

The currency profile of the trust's financial instruments at the balance sheet date was:

	Portfolio of investments		Net other assets		Total	
	as at 31.07.09 £'000	as at 31.07.08 £'000	as at 31.07.09 £'000	as at 31.07.08 £'000	as at 31.07.09 £'000	as at 31.07.08 £'000
Australian dollar	3,890	2,717	7	5	3,897	2,722
Canadian dollar	684	665	1	2	685	667
Danish krone	218	240	0	0	218	240
Euro	6,465	7,506	15	9	6,480	7,515
Hong Kong dollar	2,495	1,661	0	0	2,495	1,661
Japanese yen	2,835	2,703	52	37	2,887	2,740
New Zealand dollar	42	53	0	1	42	54
Norwegian krone	177	197	0	0	177	197
Singapore dollar	847	627	0	3	847	630
South Korean won	2,204	1,528	28	29	2,232	1,557
Swedish krona	458	421	0	2	458	423
Swiss franc	1,413	1,471	15	12	1,428	1,483
Taiwanese dollar	1,614	1,058	251	81	1,865	1,139
US dollar	7,155	7,307	9	9	7,164	7,316
	30,497	28,154	378	190	30,875	28,344
Sterling	46,103	49,351	4,781	7,367	50,884	56,718
Total	76,600	77,505	5,159	7,557	81,759	85,062

Financial statements

Notes to the financial statements (continued)

9 Financial instruments (continued)

Interest rate profile

	Floating rate financial assets		Fixed rate financial assets		Total	
	as at 31.07.09 £'000	as at 31.07.08 £'000	as at 31.07.09 £'000	as at 31.07.08 £'000	as at 31.07.09 £'000	as at 31.07.08 £'000
UK government / corporate bonds	0	0	12,057	11,575	12,057	11,575
Bank balances	6,270	8,970	0	0	6,270	8,970
Total	6,270	8,970	12,057	11,575	18,327	20,545

The weighted average gross interest rate of these fixed interest-bearing assets at the balance sheet date was 3.65% (31.07.08: 4.61%) and the weighted average period for which the interest rates were fixed was 14.86 years (31.07.08: 14.31 years) assuming the earliest maturity date for those assets with variable maturity dates.

Floating rate interest-bearing assets at the balance sheet date consist of bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent (31.07.08: same).

Fair values

There is no material difference between the carrying values and fair values of the financial instruments disclosed in the balance sheet (31.07.08: same).

10 Portfolio transaction costs

	2009 £'000	2008 £'000
a) Purchases		
Purchases excluding transaction costs	20,534	10,302
Commissions	3	5
Taxes	15	4
Total transaction costs	18	9
Total purchases including transaction costs	20,552	10,311
b) Sales		
Sales excluding transaction costs	16,428	9,925
Commissions	(2)	(3)
Total sales net of transaction costs	16,426	9,922

Financial statements

Notes to the financial statements (continued)

11 Unitholder funds

The trust contains Sterling Class 'A' (Accumulation) units and Sterling Class 'C' (Income) units.

The charging structure for each unit class, as at 31 July 2009, is set out in the following table (31.07.08: same):

	Class 'A' %	Class 'C' %
Initial charge:	4.75	n/a
Redemption charge: ^[a]	n/a	n/a
Manager's annual remuneration:	1.40	nil

[a] The Manager may, at not less than 60 days notice to unitholders in writing, make a charge on the redemption of units. At present no redemption charge is levied.

With the exception of the Manager's periodic charge and registration fees, which are directly attributable to individual unit classes, all income and expenses are apportioned to the trust's unit classes pro-rata to the value of the net assets of the relevant unit class on the day that the income or expenses are recognised.

The net asset values for each unit class are set out in the following table:

	31.07.09 Inc £'000	31.07.09 Acc £'000	31.07.08 Inc £'000	31.07.08 Acc £'000
Sterling Class 'A'	n/a	1,953	n/a	2,048
Class 'C'	79,806	n/a	83,014	n/a

The net asset value per unit and the number of units are given in the comparative table on page 6. The distribution per unit is given in the distribution table on page 39. Each unit class has the same rights on winding-up.

Financial statements

Notes to the financial statements (continued)

12 Finance costs

	2009 £'000	2008 ^[a] £'000
Income units (sterling)		
Class 'C' - Interim	1,167	1,091
- Final	1,279	1,723
Accumulation units (sterling)		
Class 'A' - Interim	17	15
- Final	21	29
Finance costs: Dividend distributions	2,484	2,858
Income deducted on cancellation of units	23	26
Income received on issue of units	(31)	(40)
Finance costs: Distributions	2,476	2,844
Net revenue per statement of total return	2,689	3,033
Stock dividends not distributed	(233)	(208)
Tax relief on stock dividends not distributed	16	13
Tax prior year adjustment	(11)	0
Tax on offshore funds taken to capital	0	8
Overseas tax offset against capital	12	2
Undistributed income brought forward	4	0
Undistributed income carried forward	(1)	(4)
Finance costs: Distributions	2,476	2,844

[a] Restated (see note 1a).

Financial statements

Distribution tables

Dividend distributions on Income units	Net income	Equal- isation	Distribution paid / payable	
			2009	2008
Sterling	p	p	p	p
Class 'C'- Interim				
Group 1:	1.4440	-	1.4440	1.4010
Group 2:	0.6244	0.8196	1.4440	1.4010
- Final				
Group 1:	1.5920	-	1.5920	2.1850
Group 2:	0.7165	0.8755	1.5920	2.1850

Dividend distributions on Accumulation units	Net income	Equal- isation	Amount reinvested	
			2009	2008
Sterling	p	p	p	p
Class 'A'- Interim				
Group 1:	0.9500	-	0.9500	0.7510
Group 2:	0.2923	0.6577	0.9500	0.7510
- Final				
Group 1:	1.1530	-	1.1530	1.6240
Group 2:	0.2900	0.8630	1.1530	1.6240

Interim period 01.08.08 – 31.01.09

Final period 01.02.09 – 31.07.09

Group 1: Units purchased prior to a distribution period.

Group 2: Units purchased during a distribution period.

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital. Being capital it is not liable to Income Tax but must be deducted from the cost of units for Capital Gains Tax purposes.

EU savings directive

as at 31 July 2009

The percentage of the Prudential Managed Funds Tracker Trust held in interest-bearing assets (as defined by the UK rules for the EU Savings Directive 2003/48/EC) is 21.06%.

Statement of the Manager's responsibilities

The Collective Investment Schemes sourcebook (COLL), as issued (and amended) by the Financial Services Authority (FSA) requires the Manager to prepare the annual report and financial statements for each financial year which give a true and fair view of the financial affairs of the Scheme and of its net revenue and net losses for the year. In preparing the financial statements the Manager is required to:

- a) Select suitable accounting policies and then apply them consistently.
- b) Comply with requirements of the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (IMA) in November 2008.
- c) Follow generally accepted accounting principles and applicable accounting standards.
- d) Keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements.
- e) Make judgments and estimates that are reasonable and prudent.
- f) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that this Scheme will continue in operation.

The Manager is responsible for the management of the Scheme in accordance with its Trust Deed, Prospectus and COLL.

The Manager is also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of the Trustee's responsibilities

In respect of the scheme and report of the trustee to the unitholders of the Prudential Managed Funds Tracker Trust for the year ended 31 July 2009

The Trustee is responsible for the safekeeping of all the property of the Scheme (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Trustee to take reasonable care to ensure that the Scheme is managed in accordance with the Financial Services Authority's Collective Investment Schemes sourcebook (COLL), as amended, the Scheme's Trust Deed and Prospectus, in relation to the pricing of, and dealings in, units in the Scheme; the application of revenue of the Scheme; and the investment and borrowing powers of the Scheme.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Scheme, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects, the Manager:

- i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Scheme's revenue in accordance with the Trust Deed, Prospectus and COLL.
- ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme.

The Royal Bank of Scotland plc
Trustee
Edinburgh
9 September 2009

Directors' statement

This report has been prepared in accordance with the requirements of the Collective Investment Schemes sourcebook, as issued (and amended) by the Financial Services Authority.

G W MacDowall
J R Talbot
Directors
Prudential Unit Trusts Limited
9 September 2009

Independent auditors' report

To the unitholders of the Prudential Managed Funds Tracker Trust ('the trust')

We have audited the financial statements of the Prudential Managed Funds Tracker Trust for the year ended 31 July 2009 which comprise the statement of total return, the statement of change in net assets attributable to unitholders, the balance sheet, the related notes and the distribution tables. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the Manager and Auditors

The Manager's responsibilities for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of the Manager's responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) and the requirements of the Collective Investment Schemes sourcebook. This report, including the opinion has been prepared for and only for the unitholders of the trust as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the IMA in November 2008, the Collective Investment Schemes sourcebook and the Trust Deed. We also report to you whether, in our opinion, proper accounting records for the trust have not been kept or whether the financial statements are not in agreement with those records, and whether the information given in the Manager's Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit.

We read the other information contained in the annual report and consider whether it is consistent with the audited financial statements. This other information comprises only the Manager's Report and the other items set out on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Manager in the preparation of the financial statements, and of whether the accounting policies are appropriate to the trust's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the financial position of the trust at 31 July 2009 and of the net revenue and the net losses of the property of the trust for the year then ended; and
- have been properly prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the IMA in November 2008, the Collective Investment Schemes sourcebook and the Trust Deed.

We have obtained all the information and explanations we consider necessary for the purposes of the audit.

In our opinion the information given in the Manager's Report is consistent with the financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors
London
9 September 2009

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Notes to unitholders

Ms Lavinia Midwinter was appointed as a Director of Prudential Unit Trusts Limited on 24 September 2008.

Miss Deborah Carter resigned as a Director of Prudential Unit Trusts Limited on 31 October 2008.

Mr Trevor Cheal was appointed as a Director of Prudential Unit Trusts Limited on 4 February 2009.

General information

If you would like further details about any aspects of your investment please contact Customer Relations.

Prudential Unit Trusts Limited,
PO Box 9022, Chelmsford, Essex CM99 2WA

Alternatively, if you are unsure whether your investment remains suitable, you should seek financial advice.

Prudential Unit Trust prices can be obtained from our website at www.pru.co.uk or by telephoning Customer Relations on 0845 783 5500.

Calls to Prudential are monitored and recorded to improve our service, and to assist investor protection.

Copies of the Prospectus are available on request free of charge.

Prudential Unit Trusts Limited is a member of the Investment Management Association.

You are classified as a 'Retail Client' as defined in the FSA Handbook unless we notify you in writing to the contrary.

Category of Trust

The Prudential Managed Funds Tracker Trust is an Authorised Unit Trust Scheme within the meaning of the Financial Services & Markets Act 2000 and has been established as a 'UCITS' Scheme (Undertakings for Collective Investment in Transferable Securities).

Manager

Prudential Unit Trusts Limited,
Laurence Pountney Hill, London EC4R 0HH
Telephone: 0845 783 5500
(Authorised and regulated by the Financial Services Authority)

Directors

T Cheal

C I Jackson

M Lewis

G W MacDowall

L U Midwinter

L J Mumford

W J Nott

L J Scrine

J R Talbot

Secretary

M&G Management Services Limited

Investment adviser

M&G Investment Management Limited,

Laurence Pountney Hill, London EC4R 0HH

(Authorised and regulated by the Financial Services Authority)

Registrar

International Financial Data Services (UK) Limited,

IFDS House, St. Nicholas Lane, Basildon, Essex SS15 5FS

(Authorised and regulated by the Financial Services Authority)

Trustee

The Royal Bank of Scotland plc,

Trustee & Depositary Services, The Broadstone,

50 South Gyle Crescent, Edinburgh EH12 9UZ

(Authorised and regulated by the Financial Services Authority)

Independent auditors

Each trust has its financial statements audited by an independent firm of auditors. The audited financial statements are published every year within the Manager's Annual Report.

PricewaterhouseCoopers LLP,

Hay's Galleria, 1 Hay's Lane, London SE1 2RD



www.pru.co.uk

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