

# Prudential International Growth Trust

Manager's interim report for the  
six months ended 7 January 2010  
(unaudited)

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# Trust objective and policy

This Trust aims to achieve steady capital growth over the medium and longer term by spreading investments across a broad range of international equities and fixed interest securities. The proportion invested in each country is changed depending on the outlook for the markets. Not more than 20% of the Scheme Property may be invested in the UK.

## Manager's comments

Stockmarkets around the world enjoyed a strong rally from March 2009 due to reduced pessimism about prospects for the global economy. The improved mood was largely in response to a number of initiatives by policy makers to stabilise the financial system and kick-start economic activity. In particular, 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. The positive mood was reinforced after the earnings of many companies were better than had been expected. Furthermore, there were indications that the stimulus packages in the US were starting to have an effect.

During the six months under review, the Prudential International Growth Trust produced 34.6%\* in terms of total return (capital performance with net income reinvested). This compares with a total return of 34.3%\*\* from a comparable index, the FTSE World Index.

Asset allocation was broadly positive over the review period. The portfolio has a relatively large position in the UK and this stance was helpful as this market outperformed the global average. A comparatively light position in Japan was also advantageous, with the Japanese market trailing other major markets and the global average over the six months. Elsewhere, the portfolio's lack of presence in emerging markets was detrimental to performance with some of these nations reporting exceptionally strong gains.

Meanwhile, stock selection was beneficial to performance with equity choices in the US proving particularly helpful, while those in the UK and Europe held back returns. More specifically, positions in US financials The Hartford Financial Services Group and Lincoln National added value. As conditions in capital markets have improved, investors' fears about these companies' solvency positions have dissipated. A holding in US company Textron, which manufactures Cessna airplanes and Bell helicopters, also supported returns. The company's shares were boosted after Textron raised new capital, thereby significantly increasing its cash position.

## Manager's comments (continued)

Further contributors to performance included UK mining companies Xstrata and First Quantum Minerals. The mining sector was one of the strongest industries over the review period on the back of increased optimism about economic recovery and high commodity prices. Dutch parcel-delivery company TNT also featured as a contributor to performance. The group has added a further freighter service from Hong Kong in anticipation of a rebound in world trade as the global recession starts to ease.

Against a more buoyant environment for equities, defensive holdings were less popular with investors. Such stocks tend to lag behind the rest of the market during increased economic activity, although they are generally stable during difficult economic conditions. Specific detractors included UK utilities Severn Trent and United Utilities, Telekom Austria, Greek electricity company Public Power and German utility E.ON.

Turning to the positioning of the portfolio, the fund manager continues to favour Europe and the UK, while he finds prospects for the relatively expensive markets of the US and Japan less compelling. The fund manager is currently targeting a neutral position in Asia as he is not convinced about the investment case in this area. Although there is the potential for domestic consumers to drive growth in Asia, there is a strong tradition of saving, rather than spending, making Asia more reliant on indebted Western nations for growth. Furthermore, Asian markets have risen strongly and the fund manager believes they no longer represent good value for investors.

In terms of portfolio activity during the period, the largest transactions mainly involved US equities. For example, the holding in consumer product giant Procter & Gamble was boosted, as the company's shares were trading at a discount to the market in general. The company continues to employ cost-saving measures to offset lower sales amid the weak economy.

The position in Masco, a manufacturer of building products for the home improvement market, was closed as its share price had reached what was considered to be a fair valuation.

The Hartford Financial Services Group, Lincoln National and Macy's performed strongly during the period and the fund manager of the underlying US portfolio reduced the holdings back to their target weights.

## Manager's comments (continued)

Despite the recent rally in global stockmarkets, economic recovery is likely to be fragile, with major economies such as the US still showing mixed signals. As a result, stockmarket volatility is likely to remain for the immediate future, although the fund manager believes that prospects for equity investors are healthy once a sustained economic recovery takes hold.

\* Source: Morningstar, Inc.

Basis: Bid to bid with net income reinvested to 8 January 2010 (the nearest measurable period).

\*\* Source: Morningstar, Inc.

Basis: Capital performance with net income reinvested to 8 January 2010 (the nearest measurable period).

### **M&G Investment Managers Limited**

**Investment adviser**

### **PPM America Inc.**

**Investment adviser**

### **Prudential Asset Management (Singapore) Limited ('PAMS')**

**Investment adviser**

Please note that the views expressed in this Report should not be taken as a recommendation or advice as to how the Prudential International Growth 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
Final	08.07.10	07.09.10
Interim	10.01.11	07.03.11

	Interim distribution		Total Expense Ratio <sup>[b]</sup>	
	Inc 07.03.10 <sup>[a]</sup>	Acc 08.01.10 <sup>[a]</sup>	07.01.10	07.07.09
<b>Sterling</b>	<b>p</b>	<b>p</b>	<b>%</b>	<b>%</b>
Class 'A'	0.1600	0.1667	1.72	1.74
Class 'C'	2.3850	n/a	0.04	0.04

The Portfolio Turnover Rate (PTR) for the 12 months ending 7 January 2010 was 61.28% compared with 75.23% for the year ending 7 July 2009. <sup>[c]</sup>

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

<sup>[b]</sup> 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.

<sup>[c]</sup> 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.

## Trust performance

Performance of unit classes.

	Net asset value per unit as at 07.01.10		Net asset value per unit as at 07.07.09		Net asset value % change	
	Inc	Acc	Inc	Acc	Inc	Acc
<b>Sterling</b>	<b>p</b>	<b>p</b>	<b>p</b>	<b>p</b>	<b>%</b>	<b>%</b>
Class 'A'	290.63	302.98	220.81	230.06	+31.62	+31.70
Class 'C'	290.88	n/a	220.82	n/a	+31.73	n/a

# Trust statistics

## Prices <sup>[a]</sup>

Prior to conversion to multi-unit class.

	Calendar year	Income units		Accumulation units	
		Highest	Lowest	Highest	Lowest
<b>Sterling</b>		<b>p</b>	<b>p</b>	<b>p</b>	<b>p</b>
	2005 <sup>[b] [c]</sup>	261.39	232.70	261.39	232.70

<sup>[a]</sup> 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 the trust was single priced and from this date now shows both the highest price and lowest price.

<sup>[b]</sup> Up to 7 July 2005.

<sup>[c]</sup> Accumulation units available from 24 March 2005.

Post conversion to multi-unit class.

	Calendar year	Income units		Accumulation units	
		Highest	Lowest	Highest	Lowest
<b>Sterling</b>		<b>p</b>	<b>p</b>	<b>p</b>	<b>p</b>
<b>Class 'A'</b>	2005 <sup>[a]</sup>	286.14	256.60	287.77	258.15
	2006	304.71	269.21	306.66	270.61
	2007	325.56	287.06	328.47	291.19
	2008	308.02	189.79	312.45	194.74
	2009	286.77	179.37	298.79	185.11
	2010 <sup>[b]</sup>	290.85	281.99	303.04	293.80
<b>Class 'C'</b>	2005 <sup>[a]</sup>	288.40	257.90	n/a	n/a
	2006	306.13	271.33	n/a	n/a
	2007	328.16	289.14	n/a	n/a
	2008	310.80	190.83	n/a	n/a
	2009	289.10	179.79	n/a	n/a
	2010 <sup>[b]</sup>	293.32	284.34	n/a	n/a

<sup>[a]</sup> From 8 July 2005 (the launch date of the unit class).

<sup>[b]</sup> Up to 8 January 2010.

# Trust statistics

## Income

### Dividend income per unit

Prior to conversion to multi-unit class.

	Calendar year	Interim	Distributed Final	Total	Reinvested
<b>Sterling (net)</b>		<b>p</b>	<b>p</b>	<b>p</b>	<b>p</b>
	2005	0.2528	1.7069	1.9597	1.7069

Post conversion to multi-unit class.

	Calendar year	Interim	Distributed Final	Total	Reinvested
<b>Sterling (net)</b>		<b>p</b>	<b>p</b>	<b>p</b>	<b>p</b>
<b>Class 'A'</b>	2006	0.1321	1.4483	1.5804	1.0278
	2007	0.0538	1.7773	1.8311	1.6606
	2008	0.1900	2.7460	2.9360	2.9800
	2009	1.3310	2.1000	3.4310	3.5329
	2010 <sup>[a]</sup>	0.1600	-	0.1600	0.1667
<b>Class 'C'</b>	2006	2.3696	3.8945	6.2641	n/a
	2007	2.4902	4.3291	6.8193	n/a
	2008	2.7000	4.7180	7.4180	n/a
	2009	3.0640	3.5580	6.6220	n/a
	2010 <sup>[a]</sup>	2.3850	-	2.3850	n/a

[a] Up to interim: ex-distribution date 8 January 2010;  
payment date 7 March 2010.

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 information

The following trusts merged into the Prudential International Growth Trust immediately after 24 March 2005: Prudential Global Balanced Trust (Far East View), Prudential Global Balanced Trust (US View) and Prudential International Trust 'B'. Following the mergers, Accumulation units became available for investment.

# Trust statistics

## Net assets

	Period ended	Value per unit		Number of units	
		Inc	Acc	Inc	Acc
<b>Sterling</b>		<b>p</b>	<b>p</b>		
<b>Class 'A'</b>	Jul 2007	319.69	324.59	21,379,582	642,540
	Jul 2008	255.07	261.73	19,791,082	575,840
	Jul 2009	220.81	230.06	19,232,782	601,040
	Jan 2010	290.63	302.98	18,860,682	584,540
<b>Class 'C'</b>	Jul 2007	319.99	n/a	13,278,850	n/a
	Jul 2008	255.12	n/a	12,385,350	n/a
	Jul 2009	220.82	n/a	12,313,750	n/a
	Jan 2010	290.88	n/a	12,400,850	n/a

## Total net asset value of trust

Period ended	£
Jul 2007	112,924,000
Jul 2008	83,586,000
Jul 2009	71,042,000
Jan 2010	92,658,000

# Portfolio

## Portfolio statement

as at 7 January 2010

Holding	Value £'000	07.01.10 %	07.07.09 %
<b>Australia</b>		<b>2.73</b>	<b>2.36</b>
44,091	Aristocrat Leisure	105	0.11
26,991	Australia & New Zealand Banking Group	344	0.37
50,194	AXA Asia Pacific Holdings	194	0.21
13,666	BHP Billiton	345	0.37
49,621	Foster's Group	154	0.17
264,860	GPT Group	94	0.10
9,355	Macquarie Group	261	0.28
43,679	Metcash	111	0.12
22,898	Origin Energy	232	0.25
8,276	QBE Insurance Group	117	0.13
7,047	Rio Tinto	321	0.35
25,016	Suncorp Metway	126	0.14
62,244	Telstra	119	0.13
<b>Austria</b>		<b>0.29</b>	<b>0.42</b>
30,664	Telekom Austria	273	0.29
<b>Belgium</b>		<b>0.69</b>	<b>0.79</b>
32,740	Fortis	84	0.09
22,882	Fortis (Rights issue)	0	0.00
1,578	Groupe Bruxelles Lambert	96	0.10
5,873	Solvay	403	0.43
3,065	Tessenderlo Chemie	68	0.07
<b>Denmark</b>		<b>0.00</b>	<b>0.03</b>
<b>Finland</b>		<b>0.26</b>	<b>0.23</b>
29,497	Nokia	243	0.26
<b>France</b>		<b>4.98</b>	<b>5.16</b>
37,392	Alcatel-Lucent	88	0.10
16,494	AXA	252	0.27
2,278	BIC	103	0.11
15,867	BNP Paribas	821	0.89
2,073	CFAO	57	0.06
1,819	Compagnie de Saint Gobain	63	0.07
2,331	Imerys	88	0.10
2,707	Michelin	139	0.15
7,549	Publicis Groupe	199	0.21
18,475	Sanofi-Aventis	922	0.99
22,947	Total	948	1.02
9,015	Valeo	217	0.23
38,006	Vivendi	721	0.78

# Portfolio

## Portfolio statement (continued)

as at 7 January 2010

Holding	Value £'000	07.01.10 %	07.07.09 %
<b>Germany</b>		<b>4.65</b>	<b>4.40</b>
4,009 adidas	142	0.15	
5,530 Allianz	442	0.48	
3,573 BASF	142	0.15	
1,894 Bayer	92	0.10	
7,310 Bayerische Motoren Werke	216	0.23	
2,615 Commerzbank	16	0.02	
11,822 Daimler	391	0.42	
4,490 Deutsche Bank	206	0.22	
43,518 Deutsche Telekom	395	0.43	
25,443 E.ON	665	0.72	
4,153 Leoni	64	0.07	
948 MAN	47	0.05	
6,862 Metro	254	0.27	
2,755 Munich Re	266	0.29	
7,544 RWE	463	0.50	
8,515 Siemens	508	0.55	
<b>Greece</b>		<b>0.51</b>	<b>0.64</b>
8,195 OPAP	114	0.12	
23,181 Public Power	282	0.30	
4,139 Titan Cement	81	0.09	
<b>Hong Kong</b>		<b>2.47</b>	<b>2.68</b>
867,000 Bank of China	300	0.32	
66,000 Beijing Capital International Airport	29	0.03	
64,000 China Coal Energy 'H'	81	0.09	
68,000 China Merchants Holdings	144	0.16	
37,800 China Pacific Insurance 'H'	98	0.11	
362,000 China Petroleum & Chemical 'H'	197	0.21	
50,000 China Resources Land	71	0.08	
160,000 China Unicom	133	0.14	
136,000 China Zhongwang	89	0.10	
164,682 CNOOC	173	0.19	
11,639 Dah Sing Financial Group	40	0.04	
8,000 Hang Seng Bank	75	0.08	
46,000 Henderson Land Development	217	0.23	
38,000 Li & Fung	102	0.11	
9,000 Ping An Insurance Group 'H'	51	0.06	
26,912 Swire Pacific 'A'	215	0.23	
7,300 Tencent Holdings	98	0.11	
45,000 Wharf Holdings	168	0.18	

# Portfolio

## Portfolio statement (continued)

as at 7 January 2010

Holding	Value £'000	07.01.10 %	07.07.09 %
<b>India</b>		<b>1.02</b>	<b>0.73</b>
30,526	Bharti Airtel	138	0.15
48,936	Hindalco Industries	118	0.13
13,080	IVRCL Infrastructures & Projects	69	0.07
4,079	LIC Housing Finance	47	0.05
3,130	Oil India	53	0.06
10,822	Sterlite Industries India	136	0.15
19,333	Tata Consultancy Services	190	0.20
6,067	Tata Power	124	0.13
65,555	Unitech	76	0.08
<b>Indonesia</b>		<b>0.00</b>	<b>0.15</b>
<b>Italy</b>		<b>1.12</b>	<b>1.28</b>
17,940	Eni	295	0.32
229,458	Intesa Sanpaolo	651	0.70
44,210	UniCredito Italiano	94	0.10
<b>Japan</b>		<b>6.56</b>	<b>7.94</b>
4,200	Advantest	68	0.07
34,000	Ajinomoto	205	0.22
69,000	Asahi Kasei	227	0.25
8,000	Bridgestone	84	0.09
4,500	Canon	119	0.13
14,000	Chiyoda	71	0.08
20,300	Credit Saison	166	0.18
10,900	Daiichi Sankyo	146	0.16
4,100	East Japan Railway	163	0.18
900	Fuji Film Holdings (formerly Fuji Photo Film)	17	0.02
19,000	Fuji Heavy Industries	58	0.06
212	Fuji Media Holding	191	0.21
2,900	Funai Electric	92	0.10
11,200	JS Group	122	0.13
46,000	Kaneka	185	0.20
41	KDDI	139	0.15
180	Keyence	24	0.03
6,300	Komeri	107	0.12
4,300	KOSÉ	55	0.06
700	Kyocera	39	0.04
10,100	Meitec	90	0.10
6,000	Mitsubishi	98	0.11
39,000	Mitsubishi Chemical Holdings	106	0.11
3,000	Mitsubishi Estate	31	0.03
106,400	Mitsubishi UFJ Financial Group	342	0.37
6,500	Mitsui	61	0.07
33,800	Mizuho Financial Group	40	0.04
85,000	NEC	140	0.15

# Portfolio

## Portfolio statement (continued)

as at 7 January 2010

Holding	Value £'000	07.01.10 %	07.07.09 %
<b>Japan (continued)</b>			
200	Nintendo	34	0.04
19,900	Nissan Motor	106	0.11
11,500	NOK	97	0.10
106	NTT DoCoMo	95	0.10
880	OBIC	94	0.10
28,000	Onward Holdings (formerly Onward Kashiyama)	110	0.12
2,890	Orix	137	0.15
3,000	Ricoh	27	0.03
4,200	Rohm	177	0.19
5,700	Sato	37	0.04
9,800	Seven & I Holdings	131	0.14
1,000	SMC	75	0.08
22,000	Sompo Japan Insurance	93	0.10
13,800	Sony	256	0.28
11,800	Sumisho Computer Systems	104	0.11
4,400	Sumitomo	30	0.03
10,600	Sumitomo Electric Industries	85	0.09
21,100	Sumitomo Forestry	110	0.12
8,600	Sumitomo Mitsui Financial Group	170	0.18
39,000	Sumitomo Trust & Banking	132	0.14
2,900	Takeda Pharmaceutical	77	0.08
1,100	TDK	42	0.05
4,300	Tokyo Electric Power	70	0.08
10,000	Tokyo Gas	25	0.03
6,200	Toppan Forms	41	0.04
42,000	Toshiba Machine	105	0.11
7,300	Toyota Motor	190	0.20
23,200	Yamaha Motor	186	0.20
20,000	Zeon	60	0.06
<b>Luxembourg</b>		<b>0.10</b>	<b>0.16</b>
9,555	Reinet Investments	95	0.10
<b>Malaysia</b>		<b>0.04</b>	<b>0.05</b>
74,400	Genting Malaysia	40	0.04
<b>Netherlands</b>		<b>2.36</b>	<b>2.16</b>
6,018	Akzo Nobel	248	0.27
8,401	Heineken	222	0.24
37,634	KPN	401	0.43
33,124	TNT	655	0.71
20,974	Unilever	413	0.45
10,992	Wessanen	42	0.05
14,032	Wolters Kluwer	195	0.21

# Portfolio

## Portfolio statement (continued)

as at 7 January 2010

Holding		Value £'000	07.01.10 %	07.07.09 %
	<b>Philippines</b>		<b>0.17</b>	<b>0.28</b>
253,600	Metropolitan Bank & Trust	157	0.17	
	<b>Singapore</b>		<b>0.34</b>	<b>0.34</b>
136,000	CapitaCommercial Trust	71	0.08	
22,500	DBS Group Holdings	155	0.17	
50,000	Sembcorp Industries	83	0.09	
	<b>South Korea</b>		<b>1.49</b>	<b>1.15</b>
11,430	Hankook Tire	147	0.16	
4,283	KB Financial Group	137	0.15	
6,320	Korea Electric Power	118	0.13	
3,790	KT Corporation	89	0.10	
958	LG Electronics	61	0.07	
641	POSCO	215	0.23	
790	Samsung Electronic	355	0.38	
834	Samsung Fire & Marine Insurance	95	0.10	
345	Shinsegae	99	0.11	
862	SK Energy	58	0.06	
	<b>Spain</b>		<b>1.11</b>	<b>1.01</b>
22,700	Banco Santander (formerly Banco Santander Central Hispano)	244	0.26	
24,261	Repsol YPF	411	0.44	
21,609	Telefónica	379	0.41	
	<b>Sweden</b>		<b>0.68</b>	<b>0.73</b>
32,992	Ericsson 'B'	201	0.22	
31,908	Svenska Cellulosa 'B'	272	0.29	
27,042	Volvo AB 'B'	156	0.17	
	<b>Switzerland</b>		<b>3.42</b>	<b>3.55</b>
3,820	Baloise Holdings (Regd.)	214	0.23	
12,857	Credit Suisse Group (Regd.)	417	0.45	
25,198	Nestlé (Regd.)	744	0.80	
24,545	Novartis (Regd.)	799	0.86	
2,929	Roche Holding 'Genussscheine' (non-voting)	315	0.34	
1,449	Swisscom (Regd.)	346	0.37	
24,402	UBS (Regd.)	243	0.26	
704	Zurich Financial Services Group (Regd.)	99	0.11	
	<b>Taiwan</b>		<b>1.05</b>	<b>1.23</b>
82,880	Acer	158	0.17	
74,580	Delta Electronics	144	0.16	
257,384	Far Eastern Textile	208	0.22	
49,550	Powertech Technology	106	0.11	
244,450	Taiwan Cement	171	0.18	
154,634	Taiwan Semiconductor Manufacturing	196	0.21	

# Portfolio

## Portfolio statement (continued)

as at 7 January 2010

Holding	Value £'000	07.01.10 %	07.07.09 %
		<b>0.09</b>	<b>0.32</b>
39,000	<b>Thailand</b> Bangkok Bank	86	0.09
	<b>United Kingdom</b>	<b>18.88</b>	<b>19.11</b>
21,002	3i Group	60	0.06
51,082	Aegis Group	60	0.06
9,894	Anglo American	281	0.30
16,955	AstraZeneca	493	0.53
20,247	Aviva	81	0.09
104,861	BAE Systems	390	0.42
37,977	Balfour Beatty	107	0.12
92,938	Barclays	291	0.31
50,082	BG Group	592	0.64
19,009	BHP Billiton	395	0.43
11,865	Bovis Homes Group	51	0.06
225,193	BP	1,399	1.51
27,445	Bradford & Bingley <sup>[a]</sup> (pending compensation)	5	0.01
20,836	British American Tobacco	427	0.46
20,530	British Sky Broadcasting Group	116	0.13
141,084	BT Group	200	0.22
10,088	Bunzl	66	0.07
79,054	Cable & Wireless	116	0.13
8,996	Cadbury	70	0.08
6,283	Carnival	135	0.15
23,631	Catlin Group	79	0.09
104,325	Centrica	289	0.31
41,522	Cobham	104	0.11
11,504	Compass Group	53	0.06
10,490	Davis Service Group	42	0.05
5,398	Diageo	58	0.06
47,872	Enterprise Inns	48	0.05
1,452	First Quantum Minerals	72	0.08
25,144	FirstGroup	102	0.11
21,720	G4S	58	0.06
59,818	GlaxoSmithKline	776	0.84
8,028	Great Portland Estates	23	0.02
10,066	Hikma Pharmaceuticals	52	0.06
206,412	HSBC Holdings	1,512	1.63
14,571	ICAP	65	0.07
13,599	IG Group Holdings	52	0.06
22,096	Imperial Tobacco	431	0.47
169,398	Inchcape	49	0.05
62,715	Informa	200	0.22
32,778	International Power	102	0.11
70,439	Invensys	222	0.24

# Portfolio

## Portfolio statement (continued)

as at 7 January 2010

Holding	Value £'000	07.01.10 %	07.07.09 %
<b>United Kingdom (continued)</b>			
38,706	Laird	52	0.06
13,296	Land Securities Group	87	0.09
263,453	Lloyds Banking Group	145	0.16
4,018	Lonmin	83	0.09
34,204	Man Group	111	0.12
24,611	Meggitt	67	0.07
21,313	Micro Focus	103	0.11
46,271	Morrison (Wm.) Supermarkets	130	0.14
4,082	Mothercare	28	0.03
45,392	National Express	87	0.09
12,411	National Grid	81	0.09
16,553	PartyGaming	44	0.05
68,997	Prudential	435	0.47
6,691	Reckitt Benckiser	218	0.24
15,958	Reed Elsevier	81	0.09
14,651	Rio Tinto (Regd.)	530	0.57
48,033	Rolls-Royce Group	241	0.26
55,854	Royal Dutch Shell 'B'	1,038	1.12
153,945	RSA Insurance Group	194	0.21
9,990	SABMiller	184	0.20
18,924	Sainsbury (J.)	62	0.07
33,247	Segro	114	0.12
7,209	Serco Group	38	0.04
20,139	Severfield-Rowen	36	0.04
6,672	Severn Trent	72	0.08
22,117	Shire	270	0.29
17,907	Smith & Nephew	113	0.12
11,120	Smiths Group	112	0.12
414	Spectris	3	0.00
80,074	Spirent Communications	85	0.09
17,380	St. James's Place	45	0.05
13,044	Standard Chartered	207	0.22
5,661	Tanfield Group	2	0.00
98,178	Tesco	405	0.44
27,855	Tomkins	57	0.06
21,314	TUI Travel	56	0.06
29,192	Tullow Oil	387	0.42
18,038	Unilever	348	0.38
24,039	United Utilities	118	0.13
603,813	Vodafone Group	840	0.91
3,920	WH Smith	19	0.02
32,826	Xstrata	402	0.43

# Portfolio

## Portfolio statement (continued)

as at 7 January 2010

Holding	Value £'000	07.01.10 %	07.07.09 %
		<b>43.39</b>	<b>43.01</b>
	<b>United States</b>		
4,400	3M	231	0.25
9,611	Abbott Laboratories	328	0.35
10,800	Abercrombie & Fitch 'A'	246	0.27
6,447	Alcoa	69	0.07
12,700	Allegheny Technologies	391	0.42
23,400	Allstate	455	0.49
49,200	Altria Group	621	0.67
7,400	American Express	193	0.21
6,500	Amgen	232	0.25
2,800	Anadarko Petroleum	118	0.13
9,000	Apache	615	0.66
1,500	Apple	199	0.21
8,423	Applied Materials	75	0.08
30,300	Archer Daniels Midland	601	0.65
48,647	AT&T	844	0.91
3,200	Automatic Data Processing	85	0.09
13,200	Avnet	247	0.27
93,000	Bank of America	958	1.03
3,800	Baxter International	139	0.15
4,600	Boeing	173	0.19
12,500	Bristol-Myers Squibb	198	0.21
2,238	Cardinal Health	45	0.05
15,800	Caterpillar	590	0.64
4,000	CBS 'B'	35	0.04
18,300	Chevron	916	0.99
25,900	CIGNA	601	0.65
36,300	Cisco Systems	557	0.60
117,900	Citigroup	270	0.29
14,600	Coca-Cola	517	0.56
3,100	Colgate-Palmolive	162	0.17
56,300	Comcast 'A'	588	0.63
11,800	Computer Sciences	430	0.46
15,200	ConocoPhillips	506	0.55
10,000	Corning	122	0.13
9,000	CVS Caremark (formerly CVS)	184	0.20
11,000	Dell	101	0.11
3,700	Dominion Resources	90	0.10
7,300	Dow Chemical	142	0.15
5,700	DuPont	122	0.13
24,500	Edison International	537	0.58
6,500	Eli Lilly	145	0.16
12,600	EMC	141	0.15
4,700	Emerson Electronic	129	0.14
30,400	Exxon Mobil	1,338	1.44

# Portfolio

## Portfolio statement (continued)

as at 7 January 2010

Holding	Value £'000	07.01.10 %	07.07.09 %
<b>United States (continued)</b>			
2,000	FedEx	105	0.11
12,000	Focus Media	129	0.14
11,100	Fortune Brands	309	0.33
66,800	General Electric	649	0.70
3,100	Gilead Sciences	87	0.09
5,100	Goldman Sachs Group	559	0.60
14,600	Goodrich	613	0.66
23,988	Hewlett-Packard	787	0.85
23,200	Home Depot	420	0.45
4,700	Honeywell International	119	0.13
5,235	ICICI Bank ADR	127	0.14
21,900	Ingram Micro 'A'	243	0.26
50,700	Intel	663	0.72
11,938	International Business Machines	975	1.05
24,594	Johnson & Johnson	996	1.07
36,100	JPMorgan Chase	996	1.07
2,500	Kimberly-Clark	100	0.11
9,300	Kraft Foods 'A'	169	0.18
33,400	Lincoln National	563	0.61
10,200	Lockheed Martin	490	0.53
13,893	Macquarie Korea Infrastructure Group GDR	36	0.04
32,000	Macy's	344	0.37
6,900	Medtronic	197	0.21
31,532	Merck & Co. (formerly Schering-Plough)	746	0.80
58,791	Microsoft	1,137	1.23
30,600	Morgan Stanley	624	0.67
37,000	Newell Rubbermaid	358	0.39
13,100	Newfield Exploration	421	0.45
19,700	Nucor	614	0.66
8,200	Occidental Petroleum	430	0.46
24,700	Oracle	380	0.41
9,850	PepsiCo	380	0.41
75,975	Pfizer	888	0.96
12,300	Philip Morris International	378	0.41
9,200	PPG Industries	356	0.38
25,800	Procter & Gamble	987	1.07
10,400	Qualcomm	311	0.34
14,400	Royal Caribbean Cruises	228	0.25
25,800	Spirit AeroSystems 'A'	348	0.38
3,400	Sterlite Industries ADS	43	0.05
17,200	Terex	233	0.25
7,895	Texas Instruments	127	0.14

# Portfolio

## Portfolio statement (continued)

as at 7 January 2010

Holding	Value £'000	07.01.10 %	07.07.09 %	
<b>United States (continued)</b>				
42,700	Textron	519	0.56	
34,900	The Hartford Financial Services Group	573	0.62	
20,000	The Travelers Companies	603	0.65	
7,470	Time Warner	136	0.15	
2,175	Time Warner Cable	57	0.06	
6,300	United Parcel Service 'B'	229	0.25	
6,000	United Technologies	265	0.29	
7,500	UnitedHealth Group	150	0.16	
11,100	US Bancorp	165	0.18	
3,300	Valero Energy	39	0.04	
30,100	Verizon Communications	604	0.65	
9,200	VF	431	0.47	
32,600	Viacom 'B'	612	0.66	
6,300	Walgreen	145	0.16	
13,700	Wal-Mart Stores	461	0.50	
11,900	Walt Disney	238	0.26	
3,000	WellPoint	116	0.13	
49,000	Wells Fargo	866	0.93	
4,347	Western Union	52	0.06	
<b>Portfolio of investments</b>		<b>91,174</b>	<b>98.40</b>	<b>99.91</b>
<b>Net other assets</b>		<b>1,484</b>	<b>1.60</b>	<b>0.09</b>
<b>Net assets attributable to unitholders</b>		<b>92,658</b>	<b>100.00</b>	<b>100.00</b>

[a] Delisted 30 September 2008

## Portfolio transactions

For the six months ended 7 January 2010

	2010 £'000	2009 £'000
Total purchases	10,754	17,046
Total sales	12,955	14,987

# Financial statements (unaudited)

for the six months ended 7 January 2010

## Statement of total return

	2010		2009	
	£'000	£'000	£'000	£'000
Income				
Net capital gains / (losses)		22,378		(4,837)
Revenue	939		1,206	
Expenses	(454)		(434)	
Net revenue before taxation	485		772	
Taxation	(94)		(105)	
Net revenue after taxation		391		667
<b>Total return before distributions</b>		<b>22,769</b>		<b>(4,170)</b>
Finance costs: Distributions		(328)		(652)
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>22,441</b>		<b>(4,822)</b>

## Statement of change in unitholders' net assets

	2010		2009	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to unitholders</b>		<b>71,042</b>		<b>83,586</b>
Amounts received on issue of units	869		1,203	
Amounts paid on cancellation of units	(1,695)		(1,510)	
		(826)		(307)
Stamp Duty Reserve Tax		(1)		(1)
Change in net assets attributable to unitholders from investment activities (see above)		22,441		(4,822)
Retained distributions on Accumulation units		1		8
Unclaimed distributions		1		1
<b>Closing net assets attributable to unitholders</b>		<b>92,658</b>		<b>78,465</b>

The opening net assets attributable to unitholders for 2010 differs to the closing position in 2009 by the change in unitholders' net assets for the second half of the comparative financial year.

# Financial statements (unaudited)

## Balance sheet

	as at 7 January 2010		as at 7 July 2009	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investment assets		91,174		70,976
Debtors	638		589	
Cash and bank balances	1,671		515	
<b>Total other assets</b>		<b>2,309</b>		<b>1,104</b>
<b>Total assets</b>		<b>93,483</b>		<b>72,080</b>
<b>Liabilities</b>				
Creditors				
Net distributions payable on Income units	(326)		(842)	
Other creditors	(499)		(196)	
<b>Total liabilities</b>		<b>(825)</b>		<b>(1,038)</b>
<b>Net assets attributable to unitholders</b>		<b>92,658</b>		<b>71,042</b>

# Financial statements (unaudited)

## Note to the financial statements

### **Accounting policies**

The interim financial statements have been prepared on the same basis as the audited annual financial statements for the year ended 7 July 2009. 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.

# EU savings directive

as at 7 January 2010

The percentage of the Prudential International Growth Trust held in interest-bearing assets (as defined by the UK rules for the EU Savings Directive 2003/48/EC) is 1.60%.

# 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

17 February 2010

## Note to unitholders

The annual management charge is paid fortnightly in arrears from the Trust's Scheme Property. It was previously paid fortnightly in advance from the Trust's Scheme Property.

# 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

Please remember to quote your name and customer number, and sign any written communication to Prudential. Failure to provide this may affect your ability to transact with us.

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](http://www.pru.co.uk) or by telephoning Customer Relations on 0845 783 5500.

For security purposes and to improve the quality of our service, we may record and monitor telephone calls. You will require your customer number. Failure to provide this will affect your ability to transact with us.

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 International Growth 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,  
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Telephone: 0845 783 5500  
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## **Directors**

T Cheal  
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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 advisers**

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## **Registrar**

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## **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](http://www.pru.co.uk)

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