

Prudential Global Growth Trust

Manager's annual report for
the year ended 21 July 2009
(audited)

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⁺ Collectively, these comprise the Manager's Report.

Trust objective and policy

This Trust aims for longer term capital growth through a portfolio of international equities. Up to 50% of the Scheme property will be invested in the major overseas equity markets, and a minimum of 50% will be invested in UK companies, predominantly those having an overseas orientation.

Manager's comments

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 started to purchase government and corporate bonds to boost the supply of money and lower the cost of corporate borrowing. A strong rally in stockmarkets from early March 2009 made up some of the ground lost earlier in the review period, but equities still fell sharply over the full 12 months.

During the 12-month review period, the Prudential Global Growth Trust fell by 10.9%* in terms of total return (capital performance with net income reinvested). The trust was ahead of a comparable composite index, which declined by 11.2%** . The FTSE All-Share Index makes up 52% of the composite index, while the FTSE World Index makes up the remaining 48%. The composition of the portfolio broadly reflects the benchmark, with the UK representing just over half of the trust and the rest spread across global equities.

As a fully-invested equity fund, the trust was inevitably hurt in the demanding market environment described above. Asset allocation was broadly neutral over the review period, while stock selection choices in the US and Europe proved particularly helpful, although those in the UK held back returns.

Against a very challenging backdrop, a number of the trust's more defensive holdings continued to support performance. Such stocks generally appeal to investors during tough economic circumstances as they tend to be relatively insensitive to business cycles. Specific contributors to performance included French drugs firm Sanofi-Aventis, Swiss food company Nestlé, Swiss communications company Swisscom and UK pharmaceutical companies GlaxoSmithKline and Shire.

Manager's comments (continued)

Investors were also encouraged by evidence of growth from newer drugs at Shire. Meanwhile, British Energy contributed to performance because of its takeover by French power giant EDF Energy. In the US, a position in paint maker Sherwin-Williams was also beneficial. The company's earnings have held up better than many of its competitors in the retail and housing sector.

Turmoil in the financial sector for most of the review period affected a number of holdings in the portfolio, with Belgian financial services Fortis, German bank Commerzbank and UK banking group HBOS holding back performance. HBOS, which announced that bad-loan charges had risen to \$5 billion, was bought by Lloyds TSB Group during the period under review. Lloyds TSB Group was subsequently renamed Lloyds Banking Group. Meanwhile, in the US, detractors included insurance company American International Group, which was bailed out by the US Federal Reserve.

Turning to the positioning of the portfolio, the fund manager currently favours Europe, where valuations are reasonably attractive, and he retains a relatively large position in the UK. Following a strong outperformance by Asia in the first half of 2009, he has trimmed the exposure to Asian equities. Meanwhile, he feels that US and Japanese equities are fairly expensive, when compared with other stockmarkets, and he is targeting a relatively light presence in these areas.

As the UK represents around half of the portfolio and the US about a quarter, major transactions during the review period primarily involved stocks from these two countries.

In the UK, a new holding was started in Weir, which makes pumps for the oil and mining industry. The stock is attractively priced following recent weakness and has the benefit of a solid management team. A position in banking group HSBC was increased, reflecting greater confidence in the company's management. Holdings in tobacco firms British American Tobacco and Imperial Tobacco were also topped up in order to take advantage of their defensive characteristics. Both stocks have stable earnings and offer an attractive and relatively safe yield. Meanwhile, British Energy was sold in connection with its takeover, as described above.

Manager's comments (continued)

In terms of the US, transactions included The Hartford Financial Services Group, Lincoln National and Morgan Stanley. Each holding in the US portfolio has a target weight. Due to the volatile market during the review period, these holdings were readjusted following the significant price movement in order to maintain their target weights.

Investor sentiment has improved in recent months amidst hopes that the worst 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 the fund manager takes a longer term view, believing that global equities will lead to solid returns for investors once a sustained recovery gets underway.

* Source: Morningstar, Inc.

Basis: Bid to bid with net income reinvested to 17 July 2009 (the nearest measurable period).

** Source: Morningstar, Inc.

Basis: Capital performance with net income reinvested to 17 July 2009 (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 Global 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
Interim	22.01.10	21.03.10
Final	22.07.10	21.09.10

	Final distribution Inc 21.09.09 ^[a]	Total Expense Ratio ^[b] Inc 21.07.09	Inc 21.07.08
Sterling	p	%	%
Class 'A'	1.0400	2.04	2.04
Class 'C'	2.1000	0.01	0.02

The Portfolio Turnover Rate (PTR) for the 12 months ending 21 July 2009 was 54.34% compared with 34.35% for the year ending 21 July 2008. ^[c]

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

Trust performance

Performance of unit classes.

	Net asset value per unit as at 21.07.09 Inc	Net asset value per unit as at 21.07.08 Inc	Net asset value % change Inc
Sterling	p	p	%
Class 'A'	113.57	129.58	-12.36
Class 'C'	113.52	129.56	-12.38

Trust statistics

Prices ^[a]

Prior to conversion to multi-unit class.

Calendar year	Income units	
	Highest	Lowest
Sterling	p	p
2004	125.44	105.01
2005 ^[b]	131.17	116.42

[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 21 July 2005.

Post conversion to multi-unit class.

Calendar year	Income units	
	Highest	Lowest
Sterling	p	p
Class 'A'		
2005 ^[a]	141.15	127.20
2006	151.43	133.99
2007	163.60	144.53
2008	156.13	94.55
2009 ^[b]	118.21	87.89
Class 'C'		
2005 ^[a]	142.39	127.83
2006	152.83	135.10
2007	165.27	145.05
2008	157.87	95.16
2009 ^[b]	119.30	87.99

[a] From 22 July 2005 (the launch date of the unit class).

[b] Up to 22 July 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	0.0427	0.5593	0.6020	n/a
	2005 ^[a]	0.0064	0.7291	0.7355	n/a

[a] Up to final: ex-distribution date 22 July 2005;
payment date 21 September 2005.

Post conversion to multi-unit class.

	Calendar year	Interim	Distributed Final	Total	Reinvested
Sterling (net)		p	p	p	p
Class 'A'	2006	0.0863	0.8040	0.8903	n/a
	2007	0.0304	0.7726	0.8030	n/a
	2008	0.0330	1.3110	1.3440	n/a
	2009 ^[a]	0.6850	1.0400	1.7250	n/a
Class 'C'	2006	1.4355	2.0014	3.4369	n/a
	2007	1.5169	2.3558	3.8727	n/a
	2008	1.5220	2.8120	4.3340	n/a
	2009 ^[a]	1.8910	2.1000	3.9910	n/a

[a] Up to final: ex-distribution date 22 July 2009;
payment date 21 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 Inc	Number of units Inc
Sterling		p	
Class 'A'	Jul 2007	160.71	230,940,503
	Jul 2008	129.58	209,753,403
	Jul 2009	113.57	200,723,903
Class 'C'	Jul 2007	161.07	15,800
	Jul 2008	129.56	15,800
	Jul 2009	113.52	15,800

Total net asset value of trust

Year ended	£
Jul 2007	371,007,000
Jul 2008	271,822,000
Jul 2009	227,970,000

Portfolio

Portfolio statement

as at 21 July 2009

Holding	Value £'000	21.07.09 %	21.07.08 ^[a] %
Australia		1.44	1.17
84,288	Aristocrat Leisure	180	0.08
54,190	Australia & New Zealand Banking Group	450	0.20
94,888	AXA Asia Pacific Holdings	183	0.08
26,405	BHP Billiton (Australian listing)	474	0.21
93,317	Fosters Group	247	0.11
17,847	Macquarie Group	343	0.15
84,388	Metcash	178	0.08
43,516	Origin Energy	318	0.14
15,543	QBE Insurance Group	159	0.07
15,515	Rio Tinto	422	0.18
47,128	Suncorp Metway	162	0.07
100,680	Telstra	168	0.07
Austria		0.21	0.10
51,987	Telekom Austria	489	0.21
Belgium		0.42	0.19
28,815	Fortis	67	0.03
48,774	Fortis (Rights issue)	0	0.00
3,000	Groupe Bruxelles Lambert	143	0.06
11,893	Solvay	650	0.28
5,459	Tessenderlo Chemie	112	0.05
Bermuda		0.00	0.11
Denmark		0.01	0.08
4	AP Moller-Maersk	14	0.01
Finland		0.12	0.21
31,219	Nokia	243	0.11
2,117	Stockmann	28	0.01
France		3.10	3.22
69,958	Alcatel-Lucent	108	0.05
48,913	AXA	590	0.26
4,330	BIC	156	0.07
21,267	BNP Paribas	923	0.41
5,725	Compagnie de Saint Gobain	126	0.06
16,406	European Aeronautic Defence and Space	179	0.08
11,231	France Telecom	158	0.07
5,471	GDF Suez	125	0.05
4,597	Imerys	122	0.05
4,023	Michelin	144	0.06
503	Nexans	18	0.01
13,973	Publicis Groupe	263	0.12
739	Renault	17	0.01
34,171	Sanofi-Aventis	1,331	0.58
13,810	STMicroelectronics	67	0.03

Portfolio

Portfolio statement (continued)

as at 21 July 2009

Holding	Value £'000	21.07.09 %	21.07.08 ^[a] %
France (continued)			
1,427	Suez Environnement	16	0.01
36,485	Total	1,245	0.55
18,558	Valeo	248	0.11
75,318	Vivendi	1,196	0.52
		2.61	2.89
Germany			
6,795	adidas	164	0.07
10,754	Allianz	658	0.29
4,734	BASF	133	0.06
3,498	Bayer	118	0.05
9,668	Bayerische Motoren Werke	245	0.11
8,044	Commerzbank	35	0.02
20,058	Daimler (formerly DaimlerChrysler)	516	0.23
6,880	Deutsche Bank	296	0.13
63,041	Deutsche Telekom	454	0.20
47,545	E.ON	1,024	0.45
1,712	Man	73	0.03
12,128	Metro	418	0.18
4,870	Munich Re	416	0.18
2,713	Praktiker Bau-und Heimwerkermaerkte Holding	18	0.01
13,349	RWE	670	0.29
15,678	Siemens	717	0.31
		0.32	0.41
Greece			
12,518	OPAP	183	0.08
30,143	Public Power	405	0.18
8,294	Titan Cement	136	0.06
		1.66	1.13
Hong Kong			
53,000	361 Degrees International	15	0.01
1,431,000	Bank of China	420	0.18
125,000	Beijing Capital International Airport	52	0.02
135,500	BYD Electronic International	58	0.03
223,000	China Coal Energy 'H'	175	0.08
105,950	China Merchants Bank	145	0.06
88,000	China Merchants Holdings	179	0.08
58,500	China Mobile	355	0.16
174,000	China Petroleum & Chemical 'H'	87	0.04
94,000	China Resources Land	123	0.05
222,800	China Zhongwang	183	0.08
318,000	CNOOC	256	0.11
22,500	Dah Sing Financial Group	62	0.03
15,600	Hang Seng Bank	137	0.06
88,000	Henderson Land Development	325	0.14
74,000	Li & Fung	137	0.06
17,000	Ping An Insurance Group 'H'	88	0.04

Portfolio

Portfolio statement (continued)

as at 21 July 2009

Holding	Value £'000	21.07.09 %	21.07.08 ^[a] %
Hong Kong (continued)			
409,200	Shui On Land	171	0.08
62,500	Swire Pacific 'A'	423	0.19
215,000	Techtronic Industries	107	0.05
87,000	Wharf Holdings	244	0.11
	India		0.56
			0.38
25,600	Bharti Airtel	270	0.12
10,247	ICICI Bank ADR	208	0.09
24,646	IVRCL Infrastructures & Projects	106	0.05
10,879	Sterlite Industries India	82	0.04
54,110	Tata Consultancy Services	325	0.14
11,729	Tata Power	166	0.07
120,540	Unitech	124	0.05
	Indonesia		0.09
			0.18
976,500	Bank Mandiri	210	0.09
	Italy		0.74
			0.99
27,255	Banca Popolare di Milano	97	0.04
43,627	Eni	654	0.29
5,054	Fiat	19	0.01
388,251	Intesa Sanpaolo	819	0.36
49,103	UniCredito Italiano	82	0.04
	Japan		3.93
			4.69
9,500	Advantest	110	0.05
54,000	Ajinomoto	277	0.12
101,000	Asahi Kasei	312	0.14
9,800	Bridgestone	100	0.04
8,100	Canon	168	0.07
21,000	Chiyoda	103	0.05
32,600	Credit Saison	231	0.10
17,900	Daiichi Sankyo	195	0.09
2,800	Denso	47	0.02
2,300	East Japan Railway	83	0.04
45,000	Ebara	90	0.04
342	Fuji Media Holding (formerly Fuji Television Network)	314	0.14
1,500	Fuji Photo Film	28	0.01
36,000	Fujitsu	118	0.05
4,200	Funai Electric	105	0.05
20,000	JS Group	178	0.08
78,000	Kaneka	319	0.14
62	KDDI	207	0.09
340	Keyence	39	0.02
10,000	Komeri	146	0.06
1,400	Kyocera	64	0.03

Portfolio

Portfolio statement (continued)

as at 21 July 2009

Holding	Value £'000	21.07.09 %	21.07.08 ^[a] %
Japan (continued)			
6,900	Meitec	72	0.03
9,600	Mitsubishi	111	0.05
54,500	Mitsubishi Chemical Holdings	146	0.06
8,000	Mitsubishi Estate	78	0.03
26,000	Mitsubishi Heavy Industries	62	0.03
145,000	Mitsubishi UFJ Financial Group	521	0.23
10,400	Mitsui	77	0.03
3,000	Mitsui Sumitomo Insurance	47	0.02
85,000	NEC	164	0.07
300	Nintendo	50	0.02
37,000	Nippon Steel	84	0.04
39,900	Nissan Motor	152	0.07
25,500	NOK	191	0.08
14,100	Nomura Holdings	70	0.03
206	NTT DoCoMo	182	0.08
1,740	OBIC	171	0.08
34,000	Onward Kashiyama	142	0.06
4,020	Orix	140	0.06
5,000	Ricoh	37	0.02
6,800	Rohm	297	0.13
16,400	Sato	89	0.04
14,600	Seven & I Holdings	207	0.09
1,600	SMC	105	0.05
36,000	Sompo Japan Insurance	142	0.06
20,500	Sony	307	0.13
19,700	Sumisho Computer Systems	199	0.09
7,100	Sumitomo	43	0.02
25,600	Sumitomo Electric Industries	176	0.08
40,400	Sumitomo Forestry	204	0.09
14,500	Sumitomo Mitsui Financial Group	356	0.16
76,000	Sumitomo Trust & Banking	232	0.10
4,700	Takeda Pharmaceutical	113	0.05
1,600	TDK	45	0.02
5,600	Tokyo Electric Power	89	0.04
16,000	Tokyo Gas	36	0.02
10,100	Toppan Forms	79	0.03
12,900	Toyota Motor	302	0.13
16	West Japan Railway	32	0.01
23,600	Yamaha Motor	157	0.07
Luxembourg		0.09	0.00
25,591	Reinet Investments	215	0.09
Malaysia		0.03	0.02
143,200	Genting Malaysia	68	0.03

Portfolio

Portfolio statement (continued)

as at 21 July 2009

Holding		Value £'000	21.07.09 %	21.07.08 ^[a] %
Netherlands			1.19	1.35
10,224	Akzo Nobel	299	0.13	
14,207	Heineken	287	0.13	
14,449	ING Groep	104	0.05	
36,262	KPN	312	0.14	
6,833	Philips Electronics	87	0.04	
59,330	TNT	794	0.35	
35,218	Unilever	564	0.25	
10,926	Wessanen	29	0.01	
17,828	Wolters Kluwer	200	0.09	
Philippines			0.14	0.12
490,000	Metropolitan Bank & Trust	208	0.09	
25,253	SM Investments	103	0.05	
Portugal			0.00	0.00
1,414	ZON Multimedia	5	0.00	
Singapore			0.22	0.15
44,200	DBS Group Holdings	227	0.10	
98,000	Sembcorp Industries	127	0.06	
91,000	Singapore Telecommunications	127	0.06	
South Korea			0.72	0.69
22,090	Hankook Tire	178	0.08	
7,679	KB Financial Group	202	0.09	
12,220	Korea Electric Power	184	0.08	
26,976	Macquarie Korea Infrastructure Group GDS	60	0.03	
1,527	Samsung Electronic	516	0.23	
1,614	Samsung Fire & Marine Insurance	153	0.07	
667	Shinsegae	167	0.07	
3,334	SK Energy	164	0.07	
Spain			0.53	0.61
15,426	Banco Santander Central Hispano	124	0.05	
28,428	Repsol	403	0.18	
48,572	Telefónica	692	0.30	
Sweden			0.36	0.49
46,032	Ericsson 'B'	282	0.12	
5,436	Holmen 'B'	80	0.03	
44,738	Svenska Cellulosa 'B'	308	0.13	
45,558	Volvo AB 'B'	189	0.08	
Switzerland			2.03	2.11
5,437	Baloise Holdings (Regd.)	262	0.11	
11,189	Clariant (Regd.)	42	0.02	
20,688	Credit Suisse Group (Regd.)	603	0.26	
49,406	Nestlé (Regd.)	1,201	0.53	
35,872	Novartis (Regd.)	957	0.42	

Portfolio

Portfolio statement (continued)

as at 21 July 2009

Holding	Value £'000	21.07.09 %	21.07.08 ^[a] %
Switzerland (continued)			
5,943	Roche Holding 'Genussscheine' (non-voting)	518	0.23
1,394	Swisscom (Regd.)	270	0.12
45,083	UBS (Regd.)	369	0.16
3,632	Zurich Financial Services Group (Regd.)	412	0.18
		0.71	0.53
Taiwan			
159,000	Acer	197	0.09
1,590	Acer (Stk Div)	2	0.00
141,000	Delta Electronics	199	0.09
2,820	Delta Electronics (Stk Div)	4	0.00
487,940	Far Eastern Textile	347	0.15
8,629	Hon Hai Precision Industry (Stk Div)	18	0.01
20,000	HTC	182	0.08
90,000	Powertech Technolo	140	0.06
475,520	Taiwan Cement	289	0.13
228,683	Taiwan Semiconductor Manufacturing	236	0.10
455	Taiwan Semiconductor (Stk Div)	0	0.00
		0.18	0.15
Thailand			
75,500	Bangkok Bank	152	0.07
61,500	PTT	257	0.11
		53.89	53.57
United Kingdom			
		10.97	10.35
Oil & gas producers			
438,690	BG Group	4,589	2.01
2,029,369	BP	10,167	4.46
510,323	Royal Dutch Shell 'B'	7,885	3.46
246,990	Tullow Oil	2,364	1.04
		0.16	0.26
Chemicals			
30,547	Johnson Matthey	373	0.16
		0.21	0.00
Industrial metals & mining			
13,018	First Quantum Minerals	476	0.21
		4.45	6.47
Mining			
148,457	Anglo American	2,697	1.18
116,575	BHP Billiton	1,756	0.77
36,867	Lonmin	429	0.19
140,721	Rio Tinto (Regd.)	3,156	1.38
295,733	Xstrata	2,121	0.93
		2.47	2.20
Aerospace & defence			
925,168	BAE Systems	3,141	1.38
298,922	Meggitt	525	0.23
516,246	Rolls-Royce Group	1,959	0.86
		0.14	0.12
Construction & materials			
103,599	Balfour Beatty	314	0.14

Portfolio

Portfolio statement (continued)

as at 21 July 2009

Holding	Value £'000	21.07.09 %	21.07.08 ^[a] %
United Kingdom (continued)			
Electronic & electrical equipment			
593,993	Invensys	1,454	0.64
279,401	Laird Group	420	0.18
General industrials			
63,641	Smiths Group	468	0.21
Industrial engineering			
172,933	Severfield-Rowen	308	0.13
67,605	Weir Group	345	0.15
Support services			
96,487	Bunzl	514	0.23
94,309	Davis Service Group	313	0.14
83,590	G4S	184	0.08
Beverages			
52,189	Diageo	471	0.21
95,625	SABMiller	1,261	0.55
Food producers			
162,146	Unilever	2,486	1.09
Household goods & home construction			
128,866	Bovis Homes Group	560	0.25
73,870	Persimmon	310	0.14
22,142	Reckitt Benckiser	635	0.28
Personal goods			
Tobacco			
195,030	British American Tobacco	3,475	1.52
135,467	Imperial Tobacco	2,210	0.97
Healthcare equipment & services			
184,052	Smith & Nephew	833	0.37
Pharmaceuticals & biotechnology			
138,722	AstraZeneca	3,877	1.70
568,679	GlaxoSmithKline	6,534	2.87
105,574	Hikma Pharmaceuticals	490	0.21
205,160	Shire	1,706	0.75
Food & drug retailers			
338,810	Morrison (Wm.) Supermarkets	931	0.41
168,112	Sainsbury (J.)	545	0.24
915,714	Tesco	3,441	1.51
General retailers			
520,604	HMV Group	640	0.28
1,575,303	Inchcape	374	0.16
113,418	Smith (W.H.)	487	0.21
103,306	The GAME Group	162	0.07

Portfolio

Portfolio statement (continued)

as at 21 July 2009

Holding	Value £'000	21.07.09 %	21.07.08 ^[a] %
United Kingdom (continued)			
Media		1.45	1.43
664,235	Aegis Group	563	0.25
181,489	British Sky Broadcasting Group	921	0.40
662,694	Informa	1,634	0.72
29,307	Pearson	180	0.08
Travel & leisure		1.56	1.14
59,627	Carnival	1,016	0.45
430,899	Enterprise Inns	531	0.23
250,258	FirstGroup	857	0.38
163,168	National Express	506	0.22
106,494	PartyGaming	255	0.11
166,408	TUI Travel	382	0.17
Fixed line telecommunications		0.98	0.92
1,271,112	BT Group	1,416	0.62
594,810	Cable & Wireless	811	0.36
Mobile telecommunications		2.73	3.10
5,486,038	Vodafone Group	6,216	2.73
Electricity		0.67	1.58
298,155	International Power	759	0.33
69,172	Scottish & Southern Energy	777	0.34
Gas, water & multi-utilities		1.60	1.03
659,678	Centrica	1,521	0.67
112,698	National Grid	637	0.28
61,853	Severn Trent	678	0.30
159,385	United Utilities	797	0.35
Banks		6.24	7.23
622,759	Barclays	1,929	0.85
1,808,416	HSBC Holdings	10,090	4.43
1,264,350	Lloyds Banking Group	936	0.41
100,192	Standard Chartered	1,253	0.55
Financial services		0.97	1.56
187,452	3i Group	478	0.21
47,369	F&C Asset Management	33	0.01
127,552	ICAP	563	0.25
125,752	IG Group Holdings	348	0.15
287,023	Man Group	808	0.35
Life insurance		1.89	1.87
327,779	Aviva	1,101	0.48
473,694	Friends Provident	342	0.15
624,933	Prudential	2,642	1.16
126,098	St. James's Place	239	0.10

Portfolio

Portfolio statement (continued)

as at 21 July 2009

Holding	Value £'000	21.07.09 %	21.07.08 ^[a] %
United Kingdom (continued)			
Non-life insurance		0.66	0.41
1,198,282	RSA Insurance Group (formerly Royal & Sun Alliance)	1,503	0.66
Real estate investment trusts		0.75	0.63
162,226	Land Securities Group	799	0.35
3,539,101	Segro	902	0.40
Software & computer services		0.19	0.06
117,980	Micro Focus	430	0.19
Technology hardware & equipment		0.20	0.33
724,522	Spirent Communications	449	0.20
AIM quoted		0.02	0.01
71,122	Tanfield Group	42	0.02
Unquoted / unlisted		0.03	0.11
219,605	Bradford & Bingley (pending compensation) ^[b]	37	0.02
103,786	Izodia ^[c]	12	0.01
United States		24.11	24.73
7,500	3M	292	0.13
17,000	Abbott Laboratories	467	0.20
19,800	Abercrombie & Fitch 'A'	315	0.14
10,100	Alcoa	65	0.03
22,700	Allegheny Technologies	485	0.21
41,900	Allstate	619	0.27
81,000	Altria Group	853	0.37
11,600	American Express	204	0.09
10,800	Amgen	384	0.17
4,900	Anadarko Petroleum	141	0.06
16,800	Apache	793	0.35
14,400	Applied Materials	112	0.05
49,400	Archer Daniels Midland	873	0.38
83,940	AT&T	1,250	0.55
5,300	Automatic Data Processing	115	0.05
24,100	Avnet	354	0.16
121,600	Bank of America	907	0.40
6,400	Baxter International	209	0.09
3,000	BNSF	141	0.06
7,700	Boeing	198	0.09
20,700	Bristol-Myers Squibb	251	0.11
3,900	Cardinal Health	74	0.03
37,700	Caterpillar	842	0.37
9,200	CBS 'B'	42	0.02
30,200	Chevron	1,209	0.53
55,500	CIGNA	845	0.37

Portfolio

Portfolio statement (continued)

as at 21 July 2009

Holding	Value £'000	21.07.09 %	21.07.08 ^[a] %
United States (continued)			
62,300	Cisco Systems	803	0.35
59,200	Citigroup	101	0.04
20,900	Coca-Cola	650	0.28
5,300	Colgate-Palmolive	237	0.10
98,600	Comcast 'A'	872	0.38
22,500	Computer Sciences	631	0.28
26,000	ConocoPhillips	685	0.30
16,200	Corning	167	0.07
14,500	CVS	291	0.13
18,600	Dell	147	0.06
6,100	Dominion Resources	122	0.05
33,900	Dow Chemical	368	0.16
21,400	DuPont	370	0.16
10,800	Eli Lilly	222	0.10
8,000	Emerson Electronic	170	0.07
49,800	Exxon Mobil	2,093	0.92
3,200	Fedex Corporation	120	0.05
23,200	Focus Media	116	0.05
25,000	Fortune Brands	558	0.24
113,000	General Electric	804	0.35
10,200	Goldman Sachs Group	995	0.44
27,100	Goodrich	877	0.38
41,500	Hewlett-Packard	1,023	0.45
45,100	Home Depot	682	0.30
7,900	Honeywell International	161	0.07
40,600	IMS Health	327	0.14
32,300	Ingram Micro	363	0.16
88,200	Intel	1,016	0.45
21,600	International Business Machines	1,533	0.67
38,200	Johnson & Johnson	1,375	0.60
59,712	JPMorgan Chase	1,346	0.59
4,300	Kimberly-Clark	144	0.06
15,112	Kraft Foods	254	0.11
71,300	Lincoln National	745	0.33
95,400	Macy's	740	0.32
57,200	Masco	347	0.15
11,600	Medtronic	246	0.11
53,900	Merck	918	0.40
102,400	Microsoft	1,531	0.67
48,600	Morgan Stanley	840	0.37
74,500	Newell Rubbermaid	538	0.24
27,800	Newfield Exploration	601	0.26
29,200	Nucor	798	0.35
20,500	Occidental Petroleum	869	0.38
40,500	Oracle	531	0.23

Portfolio

Portfolio statement (continued)

as at 21 July 2009

Holding	Value £'000	21.07.09 %	21.07.08 ^[a] %
United States (continued)			
16,300	PepsiCo	557	0.24
119,400	Pfizer	1,111	0.49
21,700	Philip Morris International	581	0.25
19,700	PPG Industries	606	0.27
30,200	Procter & Gamble	1,023	0.45
15,400	Qualcomm	442	0.19
37,900	Royal Caribbean Cruises	342	0.15
16,900	Schering-Plough	263	0.12
45,000	Spirit Aerosystems	398	0.17
6,600	Sterlite Industries	48	0.02
34,700	Terex	292	0.13
13,500	Texas Instruments	194	0.08
117,300	Textron	759	0.33
98,000	The Hartford Financial Services Group	717	0.31
33,100	The Travelers Companies	817	0.36
12,566	Time Warner	210	0.09
3,754	Time Warner Cable	71	0.03
10,500	United Parcel Service 'B'	338	0.15
9,600	United Technologies	322	0.14
12,800	UnitedHealth Group	194	0.09
14,800	US Bancorp	165	0.07
5,100	Valero Energy	55	0.02
47,000	Verizon Communications	853	0.37
18,300	VF	683	0.30
60,400	Viacom 'B'	838	0.37
10,600	Walgreen	194	0.09
24,300	Wal-Mart Stores	723	0.32
18,900	Walt Disney	292	0.13
5,300	WellPoint	161	0.07
67,900	Wells Fargo	1,056	0.46
6,600	Western Union	73	0.03
14,000	Wyeth	393	0.17
Forward currency contracts		0.00	(0.03)
Portfolio of investments (notes 1b & 1d)		226,618	99.41
Net other assets / (liabilities)		1,352	0.59
Net assets attributable to unitholders		227,970	100.00

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

[b] Delisted on 30 September 2008.

[c] Suspended on 16 December 2002.

Financial statements

for the year ended 21 July 2009

Statement of total return

	Note	2009		2008 ^[a]	
		£'000	£'000	£'000	£'000
Income					
Net capital losses	3		(34,428)		(68,992)
Revenue	4	9,213		10,866	
Expenses	5	(4,654)		(6,671)	
Finance costs: Interest	13	(1)		0	
Net revenue before taxation		4,558		4,195	
Taxation	6	(447)		(560)	
Net revenue after taxation			4,111		3,635
Total return before distributions			(30,317)		(65,357)
Finance costs: Distributions	13		(3,546)		(2,949)
Change in net assets attributable to unitholders from investment activities			(33,863)		(68,306)

[a] Restated (see note 1a in Notes to the financial statements)

Statement of change in unitholders' net assets

	2009		2008	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		271,822		371,007
Amounts received on issue of units	9,370		7,782	
Amounts paid on cancellation of units	(19,336)		(38,636)	
		(9,966)		(30,854)
Stamp Duty Reserve Tax (SDRT)		(23)		(25)
Change in net assets attributable to unitholders from investment activities (see above)		(33,863)		(68,306)
Closing net assets attributable to unitholders		227,970		271,822

Financial statements

Balance sheet

	as at 21 July 2009		as at 21 July 2008	
	£'000	£'000	£'000	£'000
Assets				
Investment assets		226,618		272,554
Debtors				
Bank interest receivable	0		6	
Currency deals outstanding	71		17	
Dividends receivable	628		671	
Income tax recoverable	16		6	
Overseas tax recoverable	147		122	
Prepaid expenses	0		104	
Sales awaiting settlement	7		754	
Stock lending fee receivable	5		2	
Tax recoverable	0		0	
		874		1,682
Cash and bank balances	3,228		2,625	
		3,228		2,625
Total other assets		4,102		4,307
Total assets		230,720		276,861
Liabilities				
Investment liabilities		0		(87)
Creditors				
Amounts payable on cancellations	(434)		(588)	
Currency deals outstanding	(71)		(17)	
Expenses payable	(119)		(22)	
Net distributions payable on Income units	(2,088)		(2,750)	
Placing awaiting settlement	0		(272)	
Purchases awaiting settlement	(37)		(1,302)	
SDRT payable	(1)		(1)	
		(2,750)		(4,952)
Total liabilities		(2,750)		(5,039)
Net assets attributable to unitholders		227,970		271,822

Financial statements

Notes to the financial statements

1 Accounting policies

a) **Basis of accounting**

The financial statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of investments, and in accordance with 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 £75,000 (2008: £201,000) from 'Currency gains' and to reduce 'Expenses' by £36,000 (2008: £61,000), 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 21 July 2009, being the last business day of the financial year. The fair value of non-derivative securities is bid price 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 21 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.

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) **Stock lending**

Income from stock lending is accounted for net of agents' fees and commissions and is recognised on an accruals basis and treated as revenue.

i) **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.

j) **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)

k) **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.

l) **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.

m) **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.

n) **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.

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 and currency risk in relation to the investment portfolio.

The capital value of 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 for the purpose of efficient portfolio management.

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 may be hedged for the purposes of efficient portfolio management.

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.

These policies have been consistently applied since the beginning of the financial year (21.07.08: same).

3 Net capital losses

	2009 £'000	2008 ^[a] £'000
Non-derivative securities	(34,801)	(68,792)
Derivative contracts	(16)	0
Forward currency contracts	204	(340)
Currency gains	75	201
Special dividends taken to capital	146	0
Transaction charges	(36)	(61)
Net capital losses	(34,428)	(68,992)

[a] Restated (see note 1a to the financial statements).

Financial statements

Notes to the financial statements (continued)

4 Revenue

	2009 £'000	2008 £'000
Bank interest	55	176
Margin interest	1	0
Overseas dividends	3,451	4,331
Property income dividends	79	60
Stock dividends	586	688
Stock lending fee income	15	30
UK dividends	4,964	5,566
Underwriting commission	62	15
Total revenue	9,213	10,866

5 Expenses

	2009 £'000	2008 ^[a] £'000
Payable to the Manager or associate		
Manager's periodic charge	4,603	6,604
Payable to the Trustee or associate		
Trustee's fee (including VAT)	18	24
Other expenses		
Audit fee (including VAT)	9	9
Dividend charges	1	1
Safe custody charge	15	22
Tax consultancy fees ^[b]	6	7
Transaction charges relating to stock lending	2	4
	33	43
Total expenses	4,654	6,671

[a] Restated (see note 1a to the financial statements).

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

Financial statements

Notes to the financial statements (continued)

6 Taxation

	2009 £'000	2008 ^[a] £'000
a) Analysis of charge in the year		
Corporation tax	0	0
Overseas tax	461	564
Overseas tax recovered: previously written off	(14)	(4)
	<hr/>	<hr/>
Current tax charge (note 6b)	447	560
Deferred tax (note 6c)	0	0
Total taxation	447	560

[a] Restated (see note 1a to the financial statements)

b) Factors affecting taxation charge for the year

Net income before taxation	4,558	4,195
	<hr/>	<hr/>
Corporation tax at 20%	912	839
Effects of:		
UK dividends ^[b]	(993)	(1,113)
Stock dividends not taxable	(114)	(125)
Current period expenses not utilised	215	396
Income taxable in different periods	31	3
Overseas tax	461	564
Overseas tax recovered: previously written off	(14)	(4)
Overseas dividends not taxable	(51)	0
	<hr/>	<hr/>
Current tax charge (note 6a)	447	560

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

c) Provision for deferred taxation

Provision at the start of the year	0	0
Deferred tax in profit and loss account (note 6a)	0	0
	<hr/>	<hr/>
Provision at the end of the year	0	0

The trust has not recognised a deferred tax asset of £9,881,000 (21.07.08: £9,634,000) arising as a result of having unutilised management expenses, and £3,535,000 (21.07.08: £3,132,000) arising as a result of having eligible unrelieved foreign tax. Accordingly, the total unrecognised deferred tax asset is £13,416,000 (21.07.08: £12,766,000). We do not expect this asset to be utilised in the foreseeable future.

Financial statements

Notes to the financial statements (continued)

7 Stock lending activities

The gross income earned from stock lending activities was £40,000 (2008: £74,000). The income shown in note 4 is net of commissions amounting to £24,000 (2008: £44,000) payable to M&G Investment Management Limited. Transaction charges relating to stock lending are shown in note 5.

The value of stock on loan at the balance sheet date was £13,743,000 (21.07.08: £11,978,000). The total value of collateral held at the balance sheet date was £14,894,000 (21.07.08: £12,680,000). This collateral consisted of equities to the value of £8,814,000 (21.07.08: £9,949,000) and bonds to the value of £6,080,000 (21.07.08: £2,731,000).

8 Contingent liabilities and outstanding commitments

Placing

At the balance sheet date, the trust had a contingent liability of £78,000 (2008: £204,608) by virtue of holding 3,539,101 ordinary Segro shares on 9 July 2009. One share could be taken up for every 10 ordinary shares held at a cost of 210 pence per share.

9 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 13. 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.

At the balance sheet date, the trust held shares in related parties of Prudential Unit Trusts Limited with a value of £2,642,000 (21.07.08: £1,754,000) and shares in related parties of The Royal Bank of Scotland plc with a value of £nil (21.07.08: £2,035,000).

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 0.01% (21.07.08: 0.01%) of the trust's units.

Financial statements

Notes to the financial statements (continued)

10 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 (21.07.08: same).

Currency exposure

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

	Portfolio of investments		Net other assets/(liabilities)		Total	
	as at 21.07.09 £'000	as at 21.07.08 £'000	as at 21.07.09 £'000	as at 21.07.08 £'000	as at 21.07.09 £'000	as at 21.07.08 £'000
Australian dollar	3,284	3,186	0	6	3,284	3,192
Chinese yuan	0	151	0	0	0	151
Danish krone	14	225	56	198	70	423
Euro	21,229	25,220	547	400	21,776	25,620
Hong Kong dollar	3,742	2,897	37	3	3,779	2,900
Indian rupee	1,073	909	0	2	1,073	911
Indonesian rupiah	210	465	2	0	212	465
Japanese yen	8,941	12,729	35	14	8,976	12,743
Malaysian ringgit	68	47	1	0	69	47
New Zealand dollar	0	0	1	1	1	1
Philippine peso	311	329	0	0	311	329
Singapore dollar	481	386	14	0	495	386
South Korean won	1,564	1,800	0	0	1,564	1,800
Swedish krona	859	1,330	61	3	920	1,333
Swiss franc	4,634	5,707	79	523	4,713	6,230
Taiwanese dollar	1,614	1,422	27	24	1,641	1,446
Thai baht	409	418	0	0	409	418
US dollar	55,406	87,193	177	530	55,583	87,723
	103,839	144,414	1,037	1,704	104,876	146,118
Sterling	122,779	128,053	315	(2,349)	123,094	125,704
Total	226,618	272,467	1,352	(645)	227,970	271,822

Interest rate profile

The majority of the trust's assets comprise equity shares which neither pay interest nor have a maturity date (21.07.08: same).

Fair values

There is no material difference between the carrying values and fair values of the financial instruments disclosed in the balance sheet (21.07.08: same).

Financial statements

Notes to the financial statements (continued)

11 Portfolio transaction costs

	2009 £'000	2008 £'000
a) Purchases		
Purchases excluding transaction costs	72,235	68,066
Commissions	84	82
Taxes	128	123
Total transaction costs	212	205
Total purchases including transaction costs	72,447	68,271
b) Sales		
Sales excluding transaction costs	83,603	95,703
Commissions	(92)	(91)
Taxes	(8)	(16)
Total transaction costs	(100)	(107)
Total sales net of transaction costs	83,503	95,596

12 Unitholder funds

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

The charging structure for each unit class, as at 21 July 2009, is set out in the following table (21.07.08: same):

	Class 'A' %	Class 'C' %
Initial charge:	5.50	n/a
Redemption charge: ^[a]	n/a	n/a
Manager's annual remuneration:	2.00	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.

Financial statements

Notes to the financial statements (continued)

12 Unitholder funds (continued)

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

	21.07.09 Inc £'000	21.07.08 Inc £'000
Sterling		
Class 'A'	227,952	271,802
Class 'C'	18	20

The net asset value per unit and the number of units are given in the comparative table on page 7. The distribution per unit is given in the distribution table opposite. Each unit class has the same rights on winding-up.

13 Finance costs

	2009 £'000	2008 ^[a] £'000
Income units (sterling)		
Class 'A' - Interim	1,403	73
- Final	2,088	2,750
Class 'C' - Interim ^[b]	0	0
- Final ^[b]	0	0
Finance costs: Dividend distributions	3,491	2,823
Income deducted on cancellation of units	94	149
Income received on issue of units	(39)	(23)
Finance costs: Distributions	3,546	2,949
Finance costs: Interest	1	0
Total finance costs	3,547	2,949
Net revenue per statement of total return	4,111	3,635
Stock dividends not distributed	(586)	(687)
Tax relief on stock dividends not distributed	0	12
Tax on stock dividends taken to capital	3	0
Overseas tax offset against capital	16	1
Undistributed income brought forward	12	0
Undistributed income carried forward	(10)	(12)
Finance costs: Distributions	3,546	2,949

^[a] Restated (see note 1a to the financial statements).

^[b] The total distribution for Sterling Class 'C' (Income) units was £631 (2008: £684).

Financial statements

Distribution table

Dividend distributions on Income shares	Tax credit	Net income	Equal- isation	Distribution payable / paid	
				2009	2008
	p	p	p	p	p
Sterling					
Class 'A' - Interim					
Group 1:	0.0761	0.6850	-	0.6850	0.0330
Group 2:	0.0303	0.2728	0.4122	0.6850	0.0330
- Final					
Group 1:	0.1156	1.0400	-	1.0400	1.3110
Group 2:	0.0527	0.4739	0.5661	1.0400	1.3110
Class 'C' - Interim					
Group 1:	0.2101	1.8910	-	1.8910	1.5220
Group 2:	0.2101	1.8910	-	1.8910	1.5220
- Final					
Group 1:	0.2333	2.1000	-	2.1000	2.8120
Group 2:	0.2333	2.1000	-	2.1000	2.8120
Interim period	22.07.08 - 21.01.09				
Final period	22.01.09 - 21.07.09				

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 21 July 2009

The percentage of the Prudential Global Growth Trust held in interest-bearing assets (as defined by the UK rules for the EU Savings Directive 2003/48/EC) is 0.56%.

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 Global Growth Trust for the year ended 21 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
27 August 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
27 August 2009

Independent auditors' report

To the unitholders of the Prudential Global Growth Trust ('the trust')

We have audited the financial statements of the Prudential Global Growth Trust for the year ended 21 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 table. 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 21 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
27 August 2009

The financial statements are published at www.pru.co.uk/managersreports, which is a website maintained by Prudential UK ('Prudential'). The maintenance and integrity of the website maintained by Prudential or any of its subsidiaries is, so far as it relates to the trust, the responsibility of Prudential. The work carried out by the auditors does not involve consideration of the maintenance and integrity of this website and accordingly, the auditors accept no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

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 Global 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,
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 advisers

M&G Investment Management Limited,

Laurence Pountney Hill, London EC4R 0HH

(Authorised and regulated by the Financial Services Authority)

PPM America Inc.,

225 West Wacker Drive, Suite 1200, Chicago, IL USA 60606

Prudential Asset Management (Singapore) Limited ('PAMS'),

30 Cecil Street, #20-01 Prudential Tower, Singapore 049712

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

'Prudential' is a trading name of Prudential Unit Trusts Limited and Prudential Personal Equity Plans Limited. This name is also used by other companies within the Prudential Group, which between them provide a range of financial products including life assurance, pensions, savings and investment products. Prudential Unit Trusts Limited and Prudential Personal Equity Plans Limited are registered in England and Wales under numbers 1796126 and 2059989 respectively. Registered Office at Laurence Pountney Hill, London EC4R 0HH. Authorised and regulated by the Financial Services Authority.