

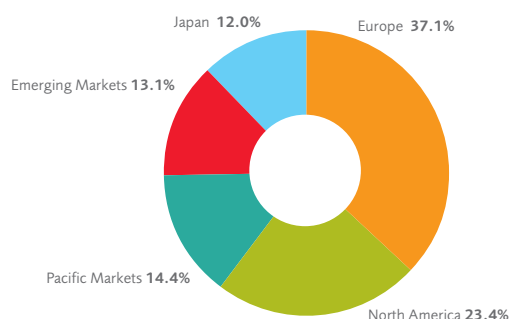
Prudential International Equity fund (series 1 & 3)



Fund description

The fund invests in shares of companies in all the major overseas equity markets. The fund is actively managed against a benchmark mix of the regional market indices in the same proportions as the average overseas equity distribution in the CAPS Balanced Pooled fund Survey. The significant numbers of stocks held in each region reflect the prudent approach adopted by this fund. Both active stock selection and asset allocation are used to add value.

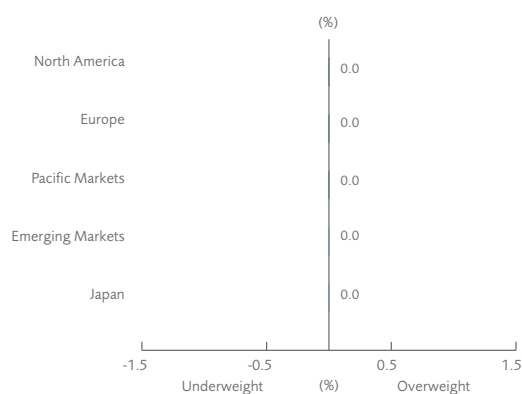
Fund breakdown



Key facts

Underlying fund size	£483m
Underlying sector funds	5
Underlying fund launch date	15/04/1981
Portfolio Manager	Alec Spooner
Benchmark	Composite Benchmark
Investment Style	Prudent active
Sedol code (series 1)	702276
Sedol code (series 3)	3168626
Performance Objective	+0.75 – 1.0% per annum over rolling 3 year periods

Target positions vs benchmark



Source: M&G
All figures are as at 31 March 2008, unless otherwise stated.

Commentary

As the global credit crunch deepened, the fund fell but performed broadly in line with the average fund of its kind.

Our preference for European shares over those in North America did not make a significant impact on the fund's performance.

Our choice of shares in emerging markets and North America was most successful, although both markets still fell. Meanwhile, the choice of European shares was disappointing, as share prices there remained volatile.

Share prices are now more attractive after their recent falls. However, there are still doubts about the profitability of many US companies. Also, European markets are likely to remain volatile as the effects of the "credit crunch" become clearer so we are less enthusiastic about European shares.

Performance

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

	30/03/2007 to 31/03/2008	31/03/2006 to 30/03/2007	31/03/2005 to 31/03/2006	31/03/2004 to 31/03/2005	31/03/2003 to 31/03/2004
International Equity fund series 1	-2.1	3.2	37.8	11.8	36.1
International Equity fund series 3	-1.3	4.1	38.7	12.8	37.4
Benchmark	1.0	4.5	36.9	9.4	33.7

Source: Prudential. * annualised

Based on percentage change in unit price. It is important to remember that past performance is no guide to the future. The value of your investment may go down as well as up and the fund value at retirement may be less than the payments you have made.

Past performance of the fund to 31 March 2008

	Quarter	1 Year*	3 Years*	5 Years*
International Equity fund series 1	-9.5	-2.1	11.7	16.2
International Equity fund series 3	-9.3	-1.3	12.6	17.2
Benchmark	-9.1	1.0	13.0	16.1

Prudential International Equity fund (series 1 & 3)

Prudential risk rating

Medium to Higher

What type of funds are in this risk category?

These funds offer a diverse geographical spread of equity investment. The funds within this category will have greater overseas exposure and underlying volatility than the "medium" sector.

What is the risk rating?

- › This risk rating reflects the expected short-term volatility in the fund's value.
- › Risk ratings have been developed by Prudential for this fund. They should not be viewed as generic descriptions across the fund management industry. The ratings are reviewed periodically and may change in the future.
- › There are a variety of investment risks facing a scheme member during pension scheme membership including inflation, changing annuity costs and volatility in fund values. The importance of each type of risk will vary from person to person and from time to time.
- › You should discuss the investment risks and the appropriateness of this risk rating with an investment professional.

Important information

Who manages the funds?

All of the series 1 & 3 funds are Prudential funds.

Prudential has delegated the investment management of the funds to M&G Investments.

How are the fund prices calculated?

The Series 1 funds have both an offer and bid price which typically differs by 5%. Contributions are turned into units at the offer price and units are realised to provide benefits at the bid price.

The Series 3 funds operate on a single swinging price basis. The pricing basis on which units in the fund are transacted is dependent upon the cash flow into/out of the fund. This is also the price that is published.

What is the dealing cycle?

The Pensions Series 1 fund range is historically priced which means that the unit price is set before money is invested.

M&G Investments has a dealing cycle of T-1. This means that money received on day T buys units at the valuation date price applicable 1 day earlier.

The Pensions Series 3 fund range is forward priced which means that the unit price is set after money is invested.

M&G Investments has a dealing cycle of T+0. This means that money received on day T buys units at the valuation date price applicable at close of business on the same day.

Who is this factsheet for and what does it do?

This factsheet is intended for the trustees, sponsors, advisers and members of occupational pension schemes using Prudential group pension contracts and Prudential grouped personal pensions and Stakeholder pension contracts. Its purpose is to shed some light on how investment markets and funds have performed over the period and is provided for information only. If you are not familiar with any of the investment terminology included on this factsheet, then please contact an adviser.

Can I get advice?

This factsheet should not be considered as a financial promotion and any changes to investment arrangements should be discussed with an adviser. It is not our intention to give an indication of how any particular funds will perform in the future. The commentary in this factsheet reflects the general views of the individual fund manager and should not be taken as a recommendation or advice as to how a specific market or fund is likely to perform.

How are the performance figures calculated?

Performance is measured on an offer price to offer price basis.

For the purposes of comparison with the benchmark we have used unit prices with the closest valuation point to that of the benchmark, taking into consideration the relevant dealing cycle.

To obtain current unit price and performance information for all funds in the Prudential Fund range, simply log on to www.pru.co.uk/fundprices and choose "Pension Funds" and then select Group Pensions (series 1 or 3).

Are all of the funds available to me?

Not all of the funds are available for every DC product.

If you are in any doubt as to which funds you are invested in, please contact your pensions department (for scheme members), usual Prudential contact (for trustees and advisers) or refer to the "Key Features Appendix" for the scheme.

Other important information

Exchange Rate Risk – exchange rate fluctuations may cause the Sterling values of overseas investments to rise or fall.

Retirement has more potential with

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