

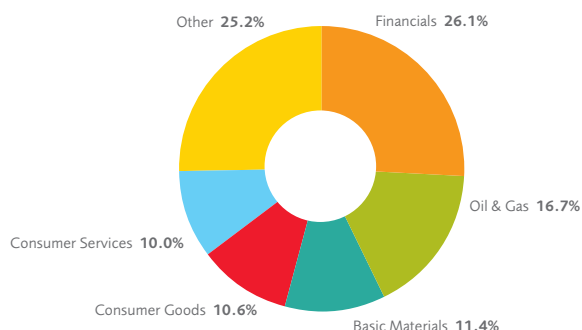
Prudential UK Equity Passive fund (series 1 & 3)



Fund description

The fund invests in shares of UK companies. The fund is passively managed tracking movements in its benchmark FTSE All-Share Index. Tracking this Index is achieved by replicating holdings of all the companies which make up the FTSE 100 Index plus carefully modelling a stratified sample of the remainder of the companies in the All-Share Index.

Fund breakdown



Key facts

Underlying fund size	£482m
Number of holdings	476
Underlying fund launch date	04/02/1998
Portfolio Manager	Nigel Booth
Benchmark	FTSE All-Share Index
Investment Style	Passive
Sedol code (series 1)	3169492
Sedol code (series 3)	3169458
Performance Objective	To match the performance of the benchmark as closely as possible

Top holdings

	%
1 HSBC	5.8
2 BP	5.8
3 Vodafone	4.7
4 Royal Dutch Shell "A"	3.8
5 GlaxoSmithKline	3.5
6 Rio Tinto	3.1
7 Royal Dutch Shell "B"	2.7
8 Anglo American	2.4
9 BG	2.3
10 BHP Billiton	2.0

Commentary

UK stocks ended the quarter on a weaker footing, with the financial sector one of the poorest performers. In contrast, industries related to commodities such as industrial metals and chemicals were among a handful that posted positive returns during the quarter. Investors also avoided stocks of smaller companies.

Consumer price inflation accelerated to a nine-month high of 2.5% in February as gas and electricity prices rose. Given that inflation has remained stubbornly above the Bank of England's 2% target rate, the bank made only a modest reduction of 0.25 percentage points to the base interest rate during the quarter.

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

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
UK Equity Passive fund series 1	-8.8	9.3	26.7	14.9	30.3
UK Equity Passive fund series 3	-7.9	11.3	27.7	15.7	31.3
Benchmark	-7.7	11.1	28.0	15.6	31.0

Past performance of the fund to 31 March 2008

	Quarter	1 Year*	3 Years*	5 Years*
UK Equity Passive fund series 1	-10.2	-8.8	8.1	13.6
UK Equity Passive fund series 3	-9.9	-7.9	9.4	14.7
Benchmark	-9.9	-7.7	9.5	14.7

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.

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Prudential risk rating

Higher

What type of funds are in this risk category?

These are specialist equity funds that focus on set geographical regions or a particular type of share e.g. shares of smaller companies or those that conform to certain criteria.

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.

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