

Prudential Socially Responsible fund (Series 3)

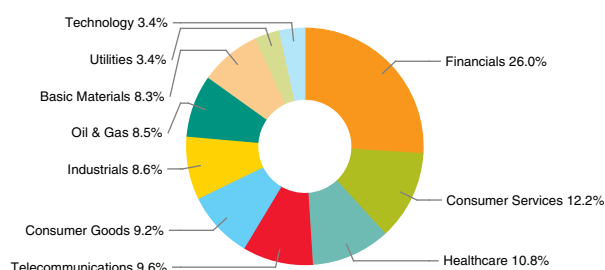


Fund description

The investment strategy of the fund is to purchase units in the M&G PP Light Green Fund. This fund aims to invest in the shares of UK companies which demonstrate good environmental, social and governance policies.

The fund is actively managed against its benchmark, the FTSE4Good UK Equity Index, which is limited to those companies in the FTSE All-Share Index which meet set ethical criteria. The fund's investments will generally be limited to those stocks that comprise the benchmark.

Fund breakdown



The asset mix is likely to vary in the future.

Top holdings

	%
1 Royal Dutch Shell 'B'	6.3
2 Vodafone	6.2
3 HSBC	5.5
4 GlaxoSmithKline	4.4
5 Rio Tinto	3.6
6 Diageo	3.3
7 BHP Billiton	2.9
8 Lloyds Banking Group	2.7
9 Standard Chartered	2.6
10 BT Group	2.3

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Source: M&G

All figures are as at 31 December 2013, unless otherwise stated.

Performance

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

	31/12/08-31/12/09	31/12/09-31/12/10	31/12/10-30/12/11	30/12/11-31/12/12	31/12/12-31/12/13
Socially Responsible fund	26.4	13.3	-11.1	22.3	25.9
Benchmark	29.3	15.4	-7.5	22.2	22.7

Source: Prudential. * annualised

Based on percentage change in unit price. It is important to remember that past performance is not a reliable indicator of future performance. 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.

Key facts

Underlying fund size	£36m
Number of holdings	62
Underlying fund launch date	08/12/1999
Portfolio Manager	Richard O'Connor
Benchmark	FTSE4Good UK Equity Index
Investment Style	Active
Sedol code	3169436
Performance Objective	To outperform the benchmark by 1% per year (before charges) over rolling 3-year periods.

Commentary

UK equities enjoyed another period of solid performance in the final three months of the year as third-quarter GDP growth accelerated to 0.8%. In the US, the Federal Reserve made its much-anticipated announcement about tapering, although interest rates are expected to remain close to zero for some time yet.

The fund was ahead of the index, with investment product provider Hargreaves Lansdown and financial advisor St James's Place adding value. Both companies reported strong inflows in the third quarter.

Meanwhile, two other financial positions detracted from performance. Shares in insurer RSA plummeted after it disclosed an accounting scandal at its Irish business and Standard Chartered alarmed investors when it dropped growth targets and warned on profits.

Activity during the quarter was minimal; in the fund management sector, shares were purchased in Jupiter whilst the holding in Henderson was disposed of. In pharmaceuticals, the holding in AstraZeneca was topped up.

The fund continues to be diversified across sectors, preserving a balance between more defensive companies, which tend to perform well in weak markets, and those which are more sensitive to economic activity.

Sector weightings are a function of the fund's bottom-up approach; the most material positions are overweights in technology and healthcare and underweights in oil & gas and consumer goods.

Past performance of the fund to 31 December 2013

	Quarter	1 Year*	3 Years*	5 Years*
Socially Responsible fund	6.2	25.9	11.0	14.4
Benchmark	5.8	22.7	11.5	15.6

Prudential Socially Responsible fund (Series 3)

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?

- These risk ratings have been developed by Prudential to help provide an indication of a fund's potential level of risk and reward based on the type of assets which may be held by the fund. Other companies may use different descriptions and as such these risk ratings should not be considered as generic across the fund management industry.
- We regularly review our fund risk ratings, so they may change in the future. If, in our view, there is a material change in the fund's level of risk, for example due to a significant change to the assets held by the fund or in the way the fund is managed, we will provide information on the new risk rating. We recommend that you make sure you understand the risk rating of any fund before you invest. You will find this information at www.pru.co.uk/factsheets
- You should also consider discussing your decision and the appropriateness of a fund's risk rating with an adviser.

Important information

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 provide an insight into 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 financial advice 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.

Who manages the funds?

This fund is managed by M&G Investments.

How are the performance figures calculated?

The performance shown overleaf is measured on the fluctuation of the daily published price. This published price is adjusted to accommodate the fund's dealing cycle where appropriate.

To obtain current unit price and performance information for all funds in the Prudential Fund range, simply log on to www.pru.co.uk/funds and choose 'Prudential Corporate Pension Fund Prices' then filter on (Series 3).

How are the fund prices calculated?

This fund operates on a single swinging price basis, based on the valuation of the underlying assets and cash flows into and out of the fund. This valuation price will be the published price.

What is the dealing cycle?

This fund is forward priced which means that the member receives the next available unit price after their instruction has been received.

This fund 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.

Other important information

Please note the performance figures shown do not take into account the effect of charges, which can be found in your 'A Guide to Fund Options'.

Asset allocations are regularly reviewed and may vary from time to time, but will always be consistent with the fund objective.

For any fund there may be a delay in buying, selling or switching of units. These delays will only apply in exceptional circumstances and we will let you know if they apply to you. For more information please refer to your policy or scheme documentation.

