

Retirement has more potential with

PRUDENTIAL

Flexible Retirement Plan

PruFund Cautious Fund; PruFund Protected Cautious Fund

About the new funds

- The funds aim for steady and consistent growth through a cautious approach to investing
- The target allocation of both funds is to invest around 70 percent in fixed interest and cash, with the remaining 30 percent in equities and property
- Fund manager – the Prudential Portfolio Management Group (PMG)

Why we have introduced the new PruFund Cautious Funds onto our Flexible Retirement Plan

- We recognise that when saving for retirement there will always be a demand for more cautious investment solutions, especially in uncertain economic times. In response we have extended the concept of PruFund with a further series of funds, to sit alongside our existing PruFund Growth Fund. The PruFund Cautious Funds will use the same unique smoothing approach, and is available with or without the option of a guarantee which has an additional charge.

- We wanted to offer the potential for steady and consistent growth through a cautious approach to investing. Fixed interest assets are typically less volatile than shares, and we believe the asset allocation on the PruFund Cautious Funds offers a balance between potential return and risk, in an economic environment that continues to be uncertain. With 30% still invested in equities and property, these new funds also recognise the potential for upturn in the markets.

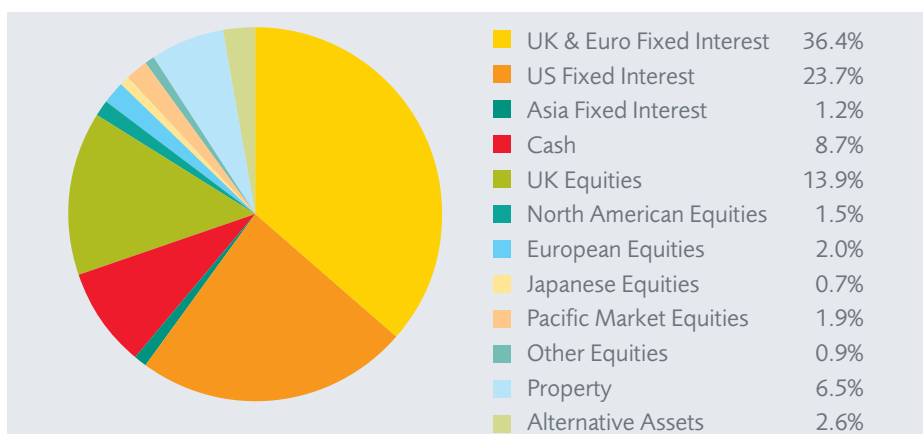
- Some people still find an investment guarantee very appealing, and by investing in the PruFund Protected Cautious Fund they benefit from the valuable security of a guarantee. If the fund value is lower than the guaranteed amount on the guarantee date applicable to the plan, we will add units to restore it to the guaranteed level. The investment will then be switched to the fund of your choice or to the PruFund Cautious fund.

- The guarantee has been designed to provide flexibility for our clients saving for their retirement in our Flexible

Retirement Plan. The guarantee date can be flexed between 5 and 10 years in order to have it align with the retirement age. A 58 year old client may appreciate the guarantee as he gets towards retirement at 65, however a fixed period of 5 years, only offering it to aged 63, is not ideal. Therefore, under the PruFund Protected Cautious Fund, such a client has the option of a 7 year guarantee to align with their retirement plans.

- For further flexibility clients in our Flexible Retirement Plan, investing in the PruFund Cautious Series, do not need to select the Protected Cautious Fund straight away. A client can wait until the point that they wish to access the guarantee and switch in at that stage, subject to there being 5 years remaining. This is in recognition that saving for retirement tends to be a longer term plan, and flexibility is of benefit as circumstances change. Therefore, we want to provide choice to the client throughout their plan, allowing them to change the options they selected at the outset.

Expected asset allocation



Source: Prudential 31 March 2010

This is the expected asset allocation for both funds based on the position as at 31 March 2010. The asset allocation will vary in future but will at all times be consistent with the fund objective.

Both funds are part of the Prudential With-Profits Fund.

Returns will differ on both these funds when compared to the With-Profits Fund due to differences in the smoothing process used, asset mix and fund objectives.

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