

Adviser Guide to **Investment Options and Fund Choice**

Including:

- › Life Funds
- › Pension Funds
- › Prudential International Funds
- › Annuities
- › Collective Funds



We provide a number of investment options that can help you meet both your and your clients' needs through a range of investment approaches and products.

In this guide we'll provide you with more details on these options.

How much fund choice do you need?

There are numerous "investment solutions" available today, each aiming to meet the needs of you and your clients. These could include:

- › **Multi-Asset Funds** – these offer the ability to outsource the day-to-day asset allocation and fund selection decisions by using an actively managed multi-asset fund or portfolio.
- › **Guided Architecture** – you could use an external research company to help you review the full universe and reduce the options to a more manageable level, but this kind of service can be costly.
- › **Selected Provider Fund Choices** – with continual review and research a close understanding of a provider's in-house investment approach can be developed, making it easier to identify options that meet investors' needs.
- › **Open Architecture** – with access to the full universe of funds this option gives very wide choice; however you need to commit your time and skills to review all these funds and make the proper recommendations.

› Our Investment Proposition

At Prudential we think our investment proposition provides you with access to the best features of all of these approaches.

Fund Options

Multi-asset funds ›

A range of multi-asset options:

- ✓ Dynamic Portfolios
- ✓ PruFund
- ✓ Total Return
- ✓ With-Profits

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Guided architecture ›

PruSelect Fund Range:

- ✓ Old Broad Street Research (OBSR), a Morningstar company, selects the funds
- ✓ funds are added and removed based on OBSR's views
- ✓ around 100 funds

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Additional fund choice ›

- ✓ A range of different funds to meet different needs

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Open architecture ›

options of either:

- ✓ Prudential International Portfolio Account
- ✓ SIPP

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For further information on fund availability

This guide aims to indicate fund availability through our current product range. Please either speak to your Prudential Account Manager or refer to the relevant fund guides for full details of the funds available on each of the products we offer.

› Portfolio Management Group (PMG)

We believe in the importance of asset allocation and appreciate that there has been a strong demand recently for multi-asset solutions, particularly within the cautious managed sector.

For both Prudential and Prudential International funds we have a strong team of in-house experts, the Portfolio

Management Group (PMG), who are entrusted with the day-to-day asset allocation decisions for around £134bn (31 December 2010) of investors' money.

The members of PMG are our in-house investment strategists and "manager of managers". They are independent of the

various underlying asset management businesses within the Prudential Group. The team, of over 20, includes economists, mathematicians and analysts who are specialists in different areas of the investment world. They have been together for a considerable amount of time and come from a range of investment backgrounds.

Global Reach

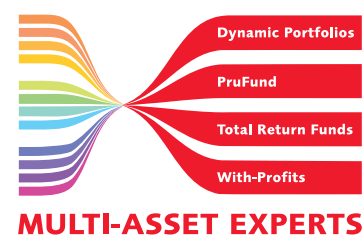
The Prudential Group is a global organisation with specialist fund managers around the world. PMG monitors and reviews the performance of each of these fund management specialists, and also allocates money to them to manage as part of our multi-asset funds.



For further information on PMG

Our PMG Guide is available on www.pruadviser.co.uk – code INVP11431.

➤ PMG Multi-Asset Funds



PMG are responsible for the asset allocation of our multi-asset funds, listed below.

These funds are mainly available through our Prudential Investment Plan, Flexible Investment Plan, Flexible Retirement Plan, Trustee Investment Plan, International Prudence Bond, Flexible Lifetime Annuity and for some funds as an ISA or a direct investment in the fund.

	Dynamic Portfolios	PruFund*	Total Return	With-Profits
Onshore Bonds	Defensive, Cautious, Cautious Growth, Balanced and Adventurous Portfolios	PruFund 0-30, PruFund 10-40, PruFund 20-55, PruFund 40-80, PruFund Protected Growth and PruFund Growth, PruFund Cautious and Protected Cautious	Cautious Managed Growth, Managed Defensive	Optimum Bonus With-Profits, Optimum Return With-Profits
Personal Pension and Income Drawdown	Defensive, Cautious, Cautious Growth, Balanced and Adventurous Portfolios	PruFund 0-30, PruFund 10-40, PruFund 20-55, PruFund 40-80, PruFund Protected Growth and PruFund Growth, PruFund Cautious and Protected Cautious	Cautious Managed Growth, Managed Defensive	With-Profits
Trustee Investment Plan		PruFund 0-30, PruFund 10-40, PruFund 20-55, PruFund 40-80, PruFund Protected Growth and PruFund Growth**, PruFund Cautious and Protected Cautious**	Managed Defensive	With-Profits
International Prudence Bond	Defensive, Cautious, Cautious Growth, Balanced and Adventurous Portfolios	PruFund Protected Growth and PruFund Growth, PruFund Cautious and Protected Cautious (each with Sterling, Euro and US Dollar versions)	Cautious Managed Growth, Managed Defensive (with Sterling, Euro and US Dollar versions)	PAC Sterling With-Profits, PAC Euro With-Profits, PAC US Dollar With-Profits
Flexible Lifetime Annuity	n/a	n/a	Cautious Managed Growth, Managed Defensive	With-Profits
Collective Investments	Defensive, Cautious, Cautious Growth, Balanced and Adventurous Portfolios	n/a	Cautious Managed Growth, Managed Defensive	n/a
For further information	www.pruadviser.co.uk/dynamicportfolios	www.pruadviser.co.uk/prufund	www.pruadviser.co.uk/totalreturn	www.pruadviser.co.uk/with-profits

* PruFund Funds either invest or are reinsured into Prudential's With-Profits Fund. The returns on these funds may differ from the returns on the With-Profits Fund due to the smoothing process used and differences in the asset mix/the fund objectives.

** Available to new and existing customers who originally took their plan out after 31 December 2002.

If you select a Protected PruFund Fund, you will be able to select from a range of guarantee terms, where the guarantee will only apply at the end of the selected guarantee term. Each guarantee term has its own charge and this will be payable for the whole of this term. For full details of the guarantee terms available and the associated charges, please refer to the document "PruFund Range of Funds: Guarantee Options" – INVS11470. You can get a copy of this from your adviser or from www.pru.co.uk.



For further information on fund availability

The information in this section is intended to indicate fund availability through our current product range. Fund ranges for other, older Prudential products are not covered by this document. Please either speak to your Prudential Account Manager or refer to the relevant fund guides for full details of the funds available on each product.

› The PruSelect Fund Range

With the aim of making fund choice easier we've asked Old Broad Street Research (OBSR), a Morningstar company, to provide us with a list of funds that they believe are some of the best in each of the main investment sectors. We've called this the PruSelect fund range and we've made it available through various Prudential and Prudential International products.

There are thousands of funds available today – each aiming to perform well and attract investors' money. Fully researching and understanding this huge range of options can be a daunting prospect, requiring both time and commitment. Plus, it's an ever changing market – and a fund choice that may have been right a year ago may not be right today. Whether you do this research or outsource it to an external specialist, it's a lot of work and a big expense.

Our partnership with OBSR means that we can help you with the fund selection process.

OBSR continually review the funds within the PruSelect fund range and they may recommend adding or removing funds. Please see page 10 for details of the latest changes.

The OBSR ratings included in this guide

OBSR provides fund ratings as a mark of quality. Based on a research process where qualitative research is supported by quantitative analysis, the ratings are evidence that OBSR believes a fund is, for its type, consistently producing the returns it set out to deliver, and will continue to do so. The ratings range from A to AAA.

OBSR has a review programme for every fund to assess whether the investment process is still in line with their understanding and is appropriate for its objectives. Following these review meetings, OBSR consider whether the fund rating is still appropriate. Should a material change occur between their regular reviews, this is considered and where appropriate the OBSR fund rating may be adjusted, suspended or removed.

In the tables on pages 7 to 9, where a fund is showing "NR" this means there is no rating. Where it is indicated that the rating has been suspended then that means OBSR is considering the rating of the fund due to some change in circumstance – for example the fund manager may have changed.



For further information

To find out more about OBSR and the PruSelect fund range then visit www.pruadviser.co.uk/funds/pruselect

› The PruSelect Fund Range (continued)

The following funds are all available as Prudential life and pension funds through our Prudential Investment Plan, Flexible Investment Plan and Flexible Retirement Plan. They are also available as collective funds through our open architecture options – including the Portfolio Account from Prudential International.

Fund Company	Fund Name	OBSR Rating
Aberdeen	Emerging Markets	AAA
Allianz	RCM BRIC Stars	A
Artemis	European Growth	AA
Artemis	Global Growth	AA
Artemis	High Income	AA
Artemis	Income	AAA
Artemis	Strategic Bond	AA
Artemis	UK Growth	A
Artemis	UK Smaller Companies	AAA
Artemis	UK Special Situations	AAA
Aviva	Property Trust	NR
AXA Framlington	Equity Income	AA
AXA Framlington	UK Select Opportunities	AAA
Baillie Gifford	High Yield Bond	A
BlackRock	Gold & General	AAA
BlackRock	UK	AA
BlackRock	UK Absolute Alpha	A
BlackRock	UK Smaller Companies	A
BlackRock	UK Special Situations	AAA
Cazenove	UK Growth & Income	A
CIS	Sustainable Leaders	A
Fidelity	European	A
Fidelity	MoneyBuilder Income	AAA
Fidelity	South East Asia	AA
First State	Asia Pacific Leaders	AAA
First State	Global Emerging Market Leaders	AAA
GLG	Japan CoreAlpha	AAA
Henderson	Cautious Managed	AA
Henderson	China Opportunities	A
Henderson	Emerging Markets Opportunities	A
Henderson	European Growth	AAA
Henderson	European Selected Opportunities	A
Henderson	High Yield Monthly Income	AA
Henderson	Preference & Bond	AAA



For further information

This list of the PruSelect range of funds is correct as at 7 November 2011. The OBSR ratings are correct as at 3 October 2011. These ratings are for the underlying collective and not the Prudential Life or Pension Fund. This list can change depending on the views of OBSR. To find out about any changes, and get more information about these funds, then visit www.pruadviser.co.uk/funds/pruselect

› The PruSelect Fund Range (continued)

Fund Company	Fund Name	OBSR Rating
Invesco Perpetual	Corporate Bond	AAA
Invesco Perpetual	Distribution	AAA
Invesco Perpetual	Global Bond	A
Invesco Perpetual	High Income	AAA
Invesco Perpetual	Income	AAA
Invesco Perpetual	Monthly Income Plus	AAA
Investec	American	AA
Investec	Cautious Managed	AA
Investec	Global Energy	AA
Investec	Global Free Enterprise	AA
Investec	Strategic Bond	A
JP Morgan	Cautious Total Return	A
JP Morgan	Europe Dynamic (ex UK)	A
JP Morgan	Natural Resources	AA
Jupiter	Emerging European Opportunities	AA
Jupiter	European Special Situations	AA
Jupiter	Financial Opportunities	AA
Jupiter	High Income	AAA
Jupiter	Income	AAA
Jupiter	Merlin Balanced Portfolio	AAA
Jupiter	Merlin Growth Portfolio	AAA
Jupiter	Merlin Income Portfolio	AAA
Jupiter	Merlin Worldwide Portfolio	AAA
Jupiter	UK Growth	AA
Kames	Ethical Equity	AA
Kames	High Yield Bond	AA
Kames	Investment Grade Bond	AA
Kames	Strategic Bond	AA
Kames	UK Opportunities	AA
Legg Mason	US Smaller Companies	AA
M&G	American	A
M&G	Corporate Bond	AA
M&G	Gilt & Fixed Interest Income	A
M&G	Global Basics	AAA
M&G	Global Leaders	AA
M&G	High Yield Corporate Bond	A
M&G	Recovery	AAA
M&G	Strategic Corporate Bond	AA

› The PruSelect Fund Range (continued)

Fund Company	Fund Name	OBSR Rating
Martin Currie	Asia Pacific	A
Martin Currie	Japan	A
Martin Currie	North American	A
Neptune	Balanced	AA
Neptune	Global Alpha	AA
Neptune	Global Equity	AAA
Neptune	Income	AA
Newton	Balanced	AA
Newton	Global Higher Income	A
Old Mutual	UK Select Mid Cap	AA
Schroder	Global Property Securities	A
Schroder	Income	A
Schroder	Tokyo	AA
Schroder	UK Alpha Plus	AAA
Schroder	UK Smaller Companies	AA
Schroder	US Mid Cap	AAA
Standard Life	Global Absolute Return Strategies Fund	A
SWIP	Multi Manager Diversity	A
Threadneedle	American	Suspended AA
Threadneedle	American Select	AA



For further information

This list of the PruSelect range of funds is correct as at 7 November 2011. The OBSR ratings are correct as at 3 October. These ratings are for the underlying collective and not the Prudential Life or Pension Fund. This list can change depending on the views of OBSR. To find out about any changes, and get more information about these funds, then visit www.pruadviser.co.uk/funds/pruselect

› The PruSelect Fund Range – Latest Fund Changes

The PruSelect fund range changes over time in line with the views of OBSR.

Latest Funds Removed

Fund Company	Fund Name	Date of Change
Newton	Managed (OEIC)	13 June 2011
New Star	International Property	13 June 2011
Old Mutual	Corporate Bond	13 June 2011
AXA Framlington	Health	7 November 2011
Ignis Cartesian	UK Opportunities	7 November 2011
Invesco Perpetual	Japanese Smaller Companies	7 November 2011
JP Morgan	Europe Smaller Companies	7 November 2011
PSigma	Income	7 November 2011
Schroder	UK Mid 250	7 November 2011
SWIP	Multi Manager Select Boutiques	7 November 2011
Thames River	Balanced Managed	7 November 2011
Thames River	Global Boutiques	7 November 2011
Threadneedle	Global Bond	7 November 2011

Latest Funds Added

Fund Company	Fund Name	Date of Change
Allianz	RCM BRIC Stars	13 June 2011
Aviva	Property Trust	13 June 2011
Standard Life	Global Absolute Return Strategies	13 June 2011



For further information

To find out more about these changes then visit www.pruadviser.co.uk/funds/pruselect

➤ Additional Fund Choice (Prudential Investment Plan, Flexible Investment Plan and Flexible Retirement Plan)

Over the years we have built a range of funds to meet different needs. These include funds from both Prudential and also external fund managers. Many of these funds target specific needs – such as natural income paying distribution funds for onshore bonds.

The following funds are available through our Prudential Investment Plan, Flexible Investment Plan and Flexible Retirement Plan.

The additional fund choice for Trustee Investment Plan, International Investments, Flexible Lifetime Annuity and Collective Investments is shown on pages 15 to 17.

Prudential Funds	Onshore Bonds	Personal Pension and Income Drawdown
Prudential fund managers		
95% Safeguard		×
Cash	×	×
Corporate Bond*	×	×
Corporate Bond (Income)	×	
Equity	×	×
Ethical	×	×
European	×	×
European Tracker	×	
Fixed Interest	×	×
Fixed Interest (Inc)	×	
High Yield Managed Distribution	×	
International	×	×
Japanese	×	×
Managed	×	×
Managed Distribution	×	×
M&G Dividend Fund	×	×
North America/North American	×	×
Pacific Markets	×	×
Property	×	×
Property (Inc)	×	
Small Companies	×	×
Strategic Growth	×	
UK Tracker	×	
UK Equity & Bond	×	×

* This fund is open for existing investors only.



For further information on fund availability

The information in this section is intended to indicate fund availability through our current product range. Please either speak to your Prudential Account Manager or refer to the relevant fund guides for full details of the funds available to each product.

➤ Additional Fund Choice (Prudential Investment Plan, Flexible Investment Plan and Flexible Retirement Plan) – continued

Prudential Funds	Onshore Bonds	Personal Pension and Income Drawdown
Other fund managers		
Aberdeen American Growth	×	
Aberdeen Japan Growth	×	
Aberdeen Managed Portfolio	×	
Aberdeen UK Growth	×	
Artemis Capital	×	×
AXA Framlington Health	×	×
Baillie Gifford American	×	
Ignis Cartesian UK Opportunities	×	×
Invesco Perpetual Income (Inc)	×	
Invesco Perpetual Japanese Smaller Companies	×	×
Invesco Perpetual Managed*	×	×
Invesco Perpetual UK Growth	×	
Investec Capital Accumulator	×	×
JP Morgan Europe Smaller Countries	×	×
M&G Cautious Multi Asset	×	
M&G Growth Portfolio	×	
M&G High Yield Corporate Bond (Inc)	×	
M&G Managed Growth	×	×
M&G Managed Life	×	
M&G UK Growth	×	×
M&G UK Select	×	×
New Star International Property**	×	×
Newton Continental European	×	
Newton Higher Income*	×	×
Newton Higher Income (Inc)*	×	
Newton International Bond	×	×
Newton International Growth	×	×
Newton Managed*	×	×
Newton Managed (OEIC)	×	×
Newton Oriental Fund	×	
Old Mutual Corporate Bond	×	×
Old Mutual Japanese Select	×	×
PSigma Income	×	×
Schroder Gilt and Fixed Interest	×	×
Schroder UK Mid 250	×	×
SWIP Multi Manager Select Boutiques	×	×
Thames River Balanced Managed	×	×
Thames River Global Boutiques	×	×
Threadneedle Global Bond	×	×

* This is a Prudential Fund managed on our behalf by the fund management group indicated. It should not be confused with any similarly named funds or collective investment schemes offered independently by this fund management group.

** This fund invests in the Aviva Investors Asia Pacific Property Fund and the Aviva Investors European Property Fund.

➤ Additional Fund Choice (Trustee Investment Plan, International Prudence Bond, Flexible Lifetime Annuity and Collective Investments)

The following funds are available through our Trustee Investment Plan, International Prudence Bond, Flexible Lifetime Annuity and for some funds as an ISA or a direct investment in the fund.

Some of the funds in Additional Fund Choice also appear in the PruSelect fund range. Whilst there may be funds on both lists, the Additional Fund Choice range is not monitored by OBSR and therefore will not change based on their views.

Prudential/Prudential International Funds and Trusts	Trustee Investment Plan	International Prudence Bond	Flexible Lifetime Annuity	Collective Investments
Prudential fund managers				
95% Safeguard	×			
Balanced Managed (Sterling)		×		
Balanced Managed (US Dollar)		×		
Cash	×			
Corporate Bond*	×			×
Deferred Distribution (Euro)		×		
Deferred Distribution (Sterling)		×		
Deferred Distribution (US Dollar)		×		
Distribution				×
Equity	×	×		
Ethical	×			×
Euro Deposit		×		
Euro Tracker		×		
European	×	×		
European Index Tracker				×
Fixed Interest	×			
Global Growth				×
Growth				×
International	×			
International Growth		×		×
Japanese	×			×
Managed	×			
Managed Distribution	×			
M&G Dividend Fund	×			×
UK Equity & Bond	×			

* This fund is open for existing investors only.

➤ Additional Fund Choice (Trustee Investment Plan, International Prudence Bond, Flexible Lifetime Annuity and Collective Investments) – continued

Prudential/Prudential International Funds and Trusts	Trustee Investment Plan	International Prudence Bond	Flexible Lifetime Annuity	Collective Investments
Prudential fund managers				
Managed Funds Tracker				×
Managed Tracker				×
Maximum Income				×
North America/North American	×	×		
Pacific Markets	×			×
Property	×		×	
Small Companies	×			×
UK Deposit		×		
UK Equity & Bond	×			×
UK Index Tracker				×
US Dollar Deposit		×		
Other fund managers				
Artemis Capital			×	
Artemis Income			×	
Artemis Strategic Bond			×	
Artemis UK Growth			×	
AXA Framlington Equity Income			×	
AXA Framlington Health			×	
Baring Hong Kong China (US Dollar)		×		
BlackRock Gold & General			×	
BlackRock UK			×	
BlackRock UK Absolute Alpha			×	
BlackRock UK Smaller Companies			×	
BlackRock UK Special Situations			×	
Cazenove UK Growth & Income			×	
Fidelity Euro Balanced (Euro)		×		
Fidelity Global Focus (US Dollar)		×		
Fidelity Managed International		×		
First State Asia Pacific			×	
Henderson Cautious Managed			×	
Henderson China Opportunities			×	
Henderson Emerging Markets Opportunities			×	
Henderson European Selected Opportunities			×	
HSBC Amanah Global Equity Index (US Dollar)		×		
HSBC Chinese Equity (US Dollar)		×		
HSBC Indian Equity (US Dollar)		×		

➤ Additional Fund Choice (Trustee Investment Plan, International Prudence Bond, Flexible Lifetime Annuity and Collective Investments) – continued

Prudential/Prudential International Funds and Trusts	Trustee Investment Plan	International Prudence Bond	Flexible Lifetime Annuity	Collective Investments
Other fund managers				
Invesco Perpetual Distribution			×	
Invesco Perpetual Global Bond			×	
Invesco Perpetual High Income			×	
Invesco Perpetual Income	×	×		
Invesco Perpetual Japanese Smaller Companies			×	
Invesco Perpetual Managed*	×	×	×	×
Invesco Perpetual Monthly Income Plus			×	
Invesco Perpetual UK Equity			×	
JP Morgan Europe Dynamic (ex UK)			×	
JP Morgan Europe Smaller Companies			×	
JP Morgan Natural Resources			×	
M&G American			×	
M&G Asian		×	×	
M&G Cautious Multi Asset		×		
M&G Corporate Bond	×	×	×	
M&G European			×	
M&G Gilt & Fixed Interest Income	×	×	×	
M&G Global Basics		×		
M&G Global Growth		×	×	
M&G High Interest			×	
M&G High Yield Corporate Bond		×	×	
M&G Japan			×	
M&G Managed		×		
M&G Managed Growth	×	×	×	
M&G Property		×		
M&G Recovery			×	
M&G Smaller Companies			×	
Martin Currie North America			×	
Mellon Global Bond (US Dollar)		×		
Morgan Stanley European Property (Euro)		×		
Neptune Balanced			×	
Neptune Income			×	
Newton Balanced	×			
Newton Global Higher Income			×	
Newton Higher Income*	×	×		×
Newton International Bond			×	
Newton International Growth	×			
Newton Managed*	×	×	×	×
Newton UK Equity Income*			×	

* These are Prudential funds managed on our behalf by the fund management group indicated. They should not be confused with any similarly named funds or collective investment schemes offered independently by this fund management group.

› Open Architecture

Flexible Retirement Plan – SIPP Options

The SIPP options are available with the Flexible Retirement Plan and can be accessed through both the personal pension and income drawdown plans. It offers the following benefits for you and your clients:

Full SIPP option

- › An extensive range of investment options with the ability to invest directly into commercial property, discretionary asset managers, stocks, shares, unit trusts, OEICs and the Cofunds fund range.

Fund SIPP option

- › Lower cost option for clients who only want access to funds from the Cofunds range (subject to investing in a maximum of 20 funds).

Prudential International – Portfolio Account

The Portfolio Account from Prudential International is a single premium portfolio bond that provides your clients with the opportunity to invest in over 2,500 funds creating their own unique portfolio.

The Portfolio Account has features such as:

- › Four charging options so you can discuss the structure that best suits your clients' needs
- › The option to give up remuneration to reduce charges and/or increase allocation
- › Annual management charge rebates*, which are accrued daily and credited to your clients' deposit accounts on a quarterly basis, which effectively increases the investment return for your clients
- › Discounted fund terms, so your clients get maximum value from their investment.

* The annual management charge rebates are not guaranteed and are subject to change.

› Other Factors To Consider

Investment choice is important and there are other factors to consider. For example:

Trusts

- › We aim to help you find the right approach to meet your clients' needs by offering a range of trusts. We have also developed detailed support and reference material that help to explain all the options and the rules that apply to them.

Product choice

We offer a range of products with the different taxation options these provide, including:

- › Prudential Investment Plan – an onshore bond that helps you to shape the product charging structure and commission
- › Flexible Investment Plan – an onshore bond with a range of features and options
- › Flexible Retirement Plan – an account style personal pension with income drawdown and SIPP options
- › Trustee Investment Plan – investment choice and control for pension scheme trustees
- › Flexible Lifetime Annuity – a unit linked annuity offering income, investment and death benefit choice
- › Portfolio Account from Prudential International – a portfolio bond with four charging options and access to over 2,500 funds
- › International Prudence Bond from Prudential International – an investment bond with a range of features and options



For further information

To find out more please either talk to your Prudential Account Manager or visit www.pruadviser.co.uk

› Notes



www.pruadviser.co.uk

"Prudential" is a trading name of The Prudential Assurance Company Limited, which is registered in England and Wales. 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. Registered Office at Laurence Pountney Hill, London EC4R 0HH. Registered number 15454. Authorised and regulated by the Financial Services Authority.

The registered office of Prudential International is in Ireland at Montague House, Adelaide Road, Dublin 2.