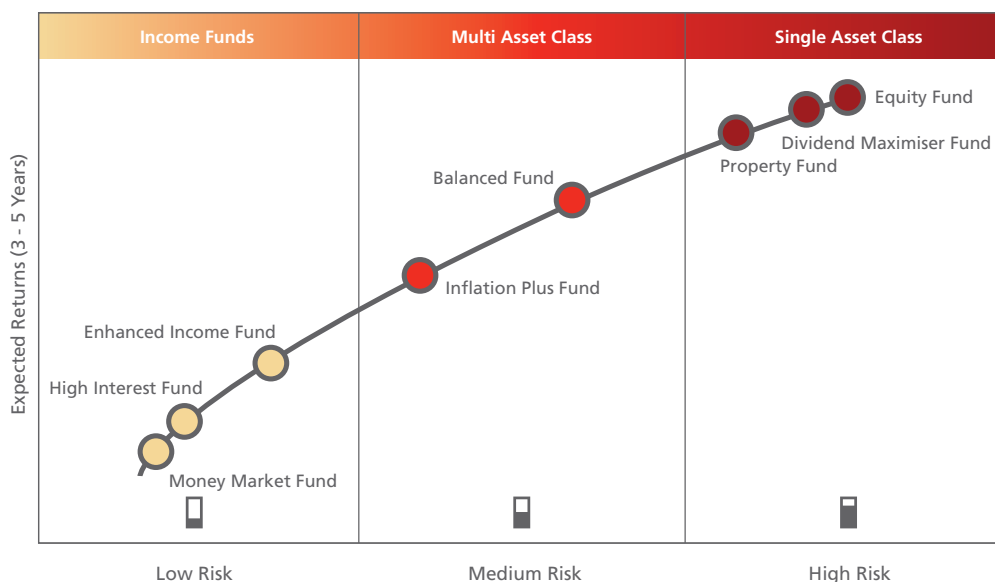


PRUSPECTIVE

PRUDENTIAL FUNDS' REVIEW & MARKET PERFORMANCE AS AT 31 DECEMBER 2014



Prudential Solution Funds



SA Market Performance

Equity:

The FTSE/JSE All Share (ALSI) declined 0.2% on a total return basis for the month and over the 12 months gained 10.9%. Small Caps (up 1.8%) outperformed Mid Caps (up 1.1%) and Large Caps (down 0.5%).

The best-performing sectors were Technology Hardware & Equipment (up 12.3%), Gold Mining (up 7.6%) and Media (up 5.6%). The worst performing sectors were Automobiles & Parts (down 9.4%), Coal Mining (down 7.1%) and Oil & Gas Producers (down 6.7%).

Over a 10-year period, Industrials (up 22.6% p.a.) outperformed Financials (up 16.7% p.a.) and Resources (up 11.2% p.a.). The composition of the ALSI as at the end of the month was Industrials 58.6%, Resources 19.4% and Financials the remaining 22.0%.

Bonds:

The All Bond Index declined 1.6% for the month and over the 12 months gained 10.2%. The Inflation-linked Bond Index declined 0.1% for the month and over the 12 months gained 11.2%.

Property:

The SA Listed Property Index gained 1.1% for the month and over 12 months gained 26.6%.

Cash:

Cash returned 0.5% for the month and over the 12 months returned 6.0%. Over a 10-year period, inflation in the form of ECPI has been 6.0% p.a.

International Market Performance

The Rand weakened 3.6% against the US Dollar and 1.4% against the Euro in December 2014.

The MSCI World Index declined 1.6% on a total return basis in US Dollar terms for the month and over 12 months gained 5.5%. The MSCI Emerging Markets Index declined 4.6% for the month and over the 12 months declined 1.8%.

The best-performing emerging market index from the selection of international equity indices for the month was the MSCI China (up 1.2%), while the worst-performing was the MSCI Russia (down 23.1%).

The best-performing developed market index from the selection of international equity indices for the month was the Dow Jones Industrial 30 (up 0.1%), while the worst-performing was the Cac 40 (down 5.3%).

The US Dollar Platinum price declined 2.2% for the month and over the 12 months declined 14.1%. The US Dollar Gold price declined 0.9% for the month and over the 12 months declined 2.9%. Brent Crude declined 23.4% for the month and over the 12 months declined 47.5%.

Asset Class Preference for Retail Multi-Asset Class Funds: Five-Year Time Horizon

Overweight	<ul style="list-style-type: none"> • SA Corporate Bonds • SA Listed Property • SA Sovereign Bonds • Foreign Equity • Foreign Corporate Bonds
Neutral	<ul style="list-style-type: none"> • SA Equity
Underweight	<ul style="list-style-type: none"> • SA Inflation-linked Bonds • SA Cash • Foreign Sovereign Bonds • Foreign Cash

Disclaimer

Prudential Portfolio Managers Unit Trusts Ltd (Registration number: 1999/0524/06) is an approved CISC management company (#29). Assets are managed by Prudential Investment Managers (South Africa) (Pty) Ltd, which is an approved discretionary Financial Services Provider (#45199). Collective Investment Schemes (unit trusts) are generally medium to long-term investments. The value of participatory interest (units) may go down as well as up. Past performance is not necessarily a guide to the future. Unit trust prices are calculated on a net asset value basis, which for money market funds is the total book value of all assets in the portfolio divided by the number of units in issue. Fluctuations or movements in exchange rates may also be the cause of the value of underlying international investments going up or down. Unit trusts are traded at ruling prices. Commissions and incentives may be paid and if so, would be included in the overall costs. Different classes of units apply to the Prudential Collective Investment Scheme Funds and are subject to different fees and charges. A detailed schedule of fees and charges and maximum commissions is available on request from the company. Forward pricing is used. All of the unit trusts may be capped at any time in order for them to be managed in accordance with their mandates. Performance figures are sourced from Morningstar and are based on lump sum investments using NAV prices with gross income reinvested. Purchase and repurchase requests must be received by the Manager by 13h30 (11h30 for Money Market and 10h30 for Dividend Income Funds) SA time each business day. All online purchase and repurchase transactions must be received by the Manager by 10h30 (for all Funds) SA time each business day. General market performance data may have been provided for illustrative and explanatory purposes. This information is not intended to constitute the basis for any specific investment decision. Investors are advised to familiarize themselves with the unique risks pertaining to their investment choices and should seek the advice of a properly qualified financial consultant or adviser before investing.

PRUSPECTIVE

PRUDENTIAL FUNDS' REVIEW & MARKET PERFORMANCE AS AT 31 DECEMBER 2014

FUND	FUND DESCRIPTION	ASSET ALLOCATION								REG 28 COMPLIANT	INTENDED MAXIMUM LIMITS				PERFORMANCE HISTORY #					ADDITIONAL INFORMATION	
		DOMESTIC				FOREIGN					Equity	Listed property	Offshore (excl. Africa)	Africa (excl. SA)	1 month	1 year	3 years	5 years	10 years		
Income																					
		Equity	Listed property	Bonds*	Cash	Equity	Listed property	Bonds*	Cash		Equity	Listed property	Offshore (excl. Africa)	Africa (excl. SA)	1 month	1 year	3 years	5 years	10 years	Current annualised yield**	
Low Risk	Prudential High Interest Fund (South African - Interest Bearing - Short Term)	A low risk fund that offers a high level of income in excess of current account or money market yields. (Investment horizon 3-12 months).																			
		0.0%	0.0%	8.3%	91.7%	0.0%	0.0%	0.0%	0.0%	Yes	0%	0%	0%	0%	0.4%	5.7%	5.7%	N/A	N/A	6.0%	
Low - Med Risk	Prudential Enhanced Income Fund (South African - Multi Asset - Income)	A low to medium risk income solution fund that offers higher income returns together with moderate capital growth. (Investment horizon 1-3 years).																			
		0.2%	6.1%	23.7%	59.4%	0.9%	0.5%	10.1%	0.1%	Yes	10%	25%	20%	5%	0.3%	7.8%	8.3%	9.2%	N/A	5.5%	
Multi-Asset																					
																				Top Holdings**	
Med Risk	Prudential Inflation Plus Fund (South African - Multi Asset - Low Equity)	A low to medium risk multi-asset class fund which protects against inflation by targeting a return of CPI+5% p.a. before fees and costs. (Investment horizon 3+ years).																			
		20.8%	9.6%	36.5%	7.9%	16.1%	0.0%	6.5%	2.6%	Yes	40%	25%	25%	5%	0.8%	11.8%	15.6%	13.8%	13.4%	1. RSA 210 4.9% 2. RSA 197 4.4% 3. RSA 186 3.8% 4. RSA I2038 3.0% 5. Powershares SLP ETF 3.0%	
	Prudential Balanced Fund (South African - Multi Asset - High Equity)	A medium risk multi-asset class fund which offers a steady growth of capital and income over the medium to long-term. (Investment horizon 5+ years).																			
		41.0%	3.9%	10.0%	20.2%	21.0%	0.0%	3.9%	0.0%	Yes	75%	25%	25%	5%	1.1%	11.7%	18.7%	15.1%	15.1%	1. Pru High Interest Fund 12.5% 2. Naspers 5.6% 3. MTN Group 3.3% 4. SPDR S&P 500 ETF 3.3% 5. First Eagle Amundi Intl. Fund 3.2%	
Property																					
Med - High Risk	Prudential Enhanced SA Property Tracker Fund (South African - Real Estate - General)	A medium to high risk fund which provides medium to long-term capital growth through efficient cost-effective exposure to SA listed property shares. (Investment horizon 5+ years).																			
		0.0%	98.2%	0.0%	1.8%	0.0%	0.0%	0.0%	0.0%	No	0.0%	100%	0.0%	0.0%	1.7%	26.4%	22.7%	21.1%	N/A	1. Growthpoint 19.3% 2. Redefine Properties 14.5% 3. Hyprop 9.5% 4. Capital Property 8.9% 5. New Europe Property 8.6%	
Equity																					
High Risk	Prudential Dividend Maximiser Fund (South African - Equity - General)	A high risk domestic equity fund which aims to provide medium to long-term capital growth together with a dividend yield higher than the market average. (Investment horizon 7+ years).																			
		73.7%	1.1%	0.0%	1.5%	23.7%	0.0%	0.0%	0.0%	No	100%	10%	25%	5%	0.7%	10.8%	20.1%	16.3%	18.6%	1. British American Tobacco 5.0% 2. Naspers 4.5% 3. Firststrand 4.3% 4. Sanlam Global Financial Fund 3.9% 5. Old Mutual 3.9%	
	Prudential Equity Fund (South African - Equity - General)	A high risk domestic equity fund which invests in shares that offer value and medium to long term growth. (Investment horizon 7+ years).																			
		81.5%	2.4%	0.0%	1.0%	15.0%	0.0%	0.0%	0.1%	No	100%	10%	15%	0%	0.8%	10.8%	21.1%	17.3%	19.0%	1. Naspers 6.6% 2. British American Tobacco 5.7% 3. Old Mutual 4.6% 4. MTN Group 4.3% 5. Firststrand 4.0%	

* Bonds may include Corporate Bonds, Government Bonds and Inflation-linked bonds.

** The current annualised yield is calculated by dividing the annual income of each holding in the portfolio by that holdings' current market price. This does not make any allowances for capital returns. This is a nominal yield for the A Class Funds.

■ Top quartile in category - Morningstar, 1-month performance not included

* Source: Morningstar, annualised (A Class performance).

** Top Holdings updated quarterly