

**Prudential Asset Management enters Hong Kong retail fund market
with a unique range of high performing funds**

October 30, 2007 – Prudential Asset Management today announced its entrance into Hong Kong's retail funds market with the launch of its first four retail sub-funds managed by Prudential plc's wholly-owned subsidiary M&G Investment Management Limited. The launch signals the latest stage of development and a continued commitment to local investors for Prudential's asset management business in Asia, which has operated in the Hong Kong market since 1994.

The Hong Kong launch follows the sub-funds' previous introduction to retail investors in Singapore, Korea, Japan, Taiwan and Malaysia where they attracted significant interest with inflows exceeding US\$760 million over eight months to 31 August 2007. The four sub-funds are:

- **M&G Global Basics Fund**, which invests in primary and secondary industries that are the building blocks of the global economy, and has achieved a cumulative performance of 327.2% over the past five years*.
- **M&G Global Leaders Fund**, which invests in leading companies worldwide, many of which are undergoing positive internal change leading to improvements in return on capital, and has a cumulative fund performance of 244.4%*.
- **M&G Pan European Fund**, which invests in high quality, well-managed European companies, and has a cumulative performance of 128.4%*.
- **M&G American Fund**, which invests in stocks carefully selected from the full spectrum of companies in North America, and has a cumulative performance of 119.5%*.

Commenting on the launch, Guy Strapp, Regional Head of Investment Management, Asia and Chief Executive Officer of Prudential Asset Management (Hong Kong) Limited, said: "We are launching our retail presence in Hong Kong by introducing some of our core funds to the market. These funds have a history of consistent performance and will provide Hong Kong investors with access to global equity markets to help diversify investment portfolios."

Highlighting one of the sub-funds, Eileen Ma, Head of Channel Marketing at Prudential Asset Management (Hong Kong) Limited, added: "The Global Basics Fund is like no other fund currently available to retail investors in Hong Kong. The fund provides access to global equities that benefit from emerging market growth while not having directly to invest in shares listed in these emerging markets." Over the last five years, the fund has achieved a performance that exceeded its relevant global equity benchmark as well as emerging markets benchmark.

The Investment Manager, M&G Investment Management Limited, specializes in active, bottom-up stock selection, seeking to identify those companies that will deliver superior returns for investors over the long-term. The four sub-funds have a distinctive investment mandate that feature a unique investment case compared with existing products in the market.



About Prudential

Prudential Asset Management (Hong Kong) Limited is a subsidiary of Prudential plc** (United Kingdom), one of the world's foremost financial services groups. Prudential plc is the region's leading European-based life insurer in terms of market coverage and number of top five market rankings with over 360,000 agents and staff. Its insurance operations span 12 markets - Mainland China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand and Vietnam.

In Asia, Prudential's fund management business independently manages assets on behalf of a wide range of retail and institutional investors across the region, with US\$66 billion in assets under management (as of 30 June 2007). With most markets dominated by local players, it is the only foreign asset manager in the top 5 position in more than one Asian market.

In 1999, Prudential joined with Bank of China International to form BOCI-Prudential Asset Management Limited, a provider of asset management services to Hong Kong's Mandatory Provident Fund (MPF). BOCI-Prudential is Hong Kong's fourth-largest MPF provider and serves more than 475,000 MPF members.

It is also a fund manager for life and pension products sold by Prudential plc and its subsidiaries. It has an extensive geographic footprint with fund management operations in 10 markets – Mainland China, Hong Kong, India, Japan, Korea, Malaysia, Singapore, Taiwan, Vietnam and the United Arab Emirates.

* As of 30 September 2007. The source for performance information is Morningstar, Inc., German universe. Apart from M&G Pan-European Fund, all the funds performance is calculated on the basis of net income reinvested, bid-to-bid, Euro share class performance converted to USD and refers to the acquisition of accumulation shares denominated in Euros, without account of any initial charges or taxes. M&G Pan-European Fund's performance is calculated on the basis of net income reinvested, bid-to-bid, based in Euro and refers to the acquisition of accumulation shares denominated in euros, without account of any initial charges or taxes. Information sourced from a third party has been copied without any verification and Prudential Asset Management (Hong Kong) Ltd does not assume any liability. The information contained herein is not a substitute for independent advice. For information on investment risk relating to these funds please see the prospectus. The value of your investment may go down as well as up and may be affected by exchange rate movements. Past performance is no guide to future performance. The repayment of the capital invested is not guaranteed.

**Prudential plc is a company incorporated and with its principal place of business in England, and its affiliated companies constitute one of the world's leading financial services groups. It provides insurance and financial services directly and through its subsidiaries and affiliates throughout the world. It has been in existence for over 150 years and has US\$513 billion in assets under management as at 30 June 2007. Prudential plc is not affiliated in any manner with Prudential Financial, Inc, a company whose principal place of business is in the United States of America.

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