

Ethical Fund

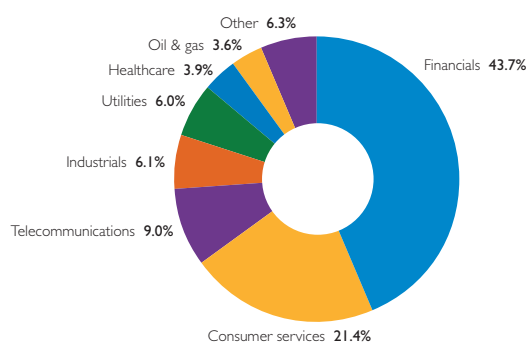


Fund description

This fund invests in shares of companies that meet a set of ethical criteria.

This fund currently invests in the Prudential Socially Responsible Fund.

Underlying fund breakdown



The asset mix is likely to vary in future.

Top 10 holdings of underlying fund

| | | % |
|----|--------------------|------|
| 1 | HSBC | 14.1 |
| 2 | Standard Chartered | 6.8 |
| 3 | Vodafone | 5.5 |
| 4 | Barclays | 4.1 |
| 5 | Sainsbury (J) | 3.4 |
| 6 | National Grid | 3.2 |
| 7 | Lloyds Banking | 2.8 |
| 8 | Shire | 2.8 |
| 9 | Tesco | 2.6 |
| 10 | Cable & Wireless | 2.4 |

Source: M&G
All figures are as at 31 March 2010, unless otherwise stated.

Performance

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

| Percentage change | 31/03/09 – 31/03/10 | 31/03/08 – 31/03/09 | 31/03/07 – 31/03/08 | 31/03/06 – 31/03/07 | 31/03/05 – 31/03/06 |
|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Ethical Fund | 56.6 | -41.0 | -17.1 | 15.5 | 21.6 |
| Benchmark | 58.2 | -38.9 | -15.8 | 13.7 | 23.5 |

The Ethical Fund was created specifically for members of the Kingfisher Pension Scheme Money Purchase Section (KPS-MP) in December 2009. The performance shown is based on the Prudential Socially Responsible Fund Series 3.

Source: Prudential.

Based on percentage change in unit price and gross of charges. 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 | £22m |
| Underlying fund launch date | 08/12/1999 |
| Portfolio Manager | Tim Short |
| Benchmark | Mirrors the benchmark of the underlying fund (currently a subset of the FTSE All-Share Index as defined by EIRIS) |
| Investment Approach | Active |
| Performance Objective | The fund aims to provide long-term growth by investing in the shares of companies that meet a set of ethical criteria |

Commentary

The UK stockmarket performed well during the quarter, buoyed by more positive economic data and better-than-expected results from many companies. While good contributions came from holdings in tour company Thomas Cook and hotel operator Millennium & Copthorne, the top performer over the quarter was pipeline manufacturer Wellstream. Its shares rose after the company announced significant new contract wins in Brazil. On the downside, the fund's returns were held back by its positions in more 'defensive' companies as investors preferred riskier stocks. The former included food retailer Sainsbury's, healthcare group Dechra Pharmaceuticals and Mothercare, which sells children's apparel and products.

During the quarter, the fund manager's focus remained on companies where good growth prospects meet environmentally and socially responsible practices. He increased the fund's holdings in retailer Marks & Spencer and car dealership Inchcape, which are likely to benefit from the ongoing economic recovery. The fund manager also bought more shares in Lloyds Banking, Barclays and HSBC, which had the effect of increasing the portfolio's exposure to financials. In his view, more benign conditions in the capital markets should help the performance of these banks. Chocolate maker Cadbury left the portfolio after the company was acquired by US food giant Kraft. The fund manager also realised profits by trimming a position in media business Pearson whose shares had performed well.

Past performance of the fund to 31 March 2010.

*annualised

| Percentage change | Quarter | 1 Year* | 3 Years* | 5 Years* |
|-------------------|---------|---------|----------|----------|
| Ethical Fund | 7.8 | 56.6 | -8.5 | 1.5 |
| Benchmark | 6.8 | 58.2 | -6.6 | 2.7 |

Ethical Fund

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?

- Risk ratings have been developed by Prudential to help provide an indication of the potential level of risk and reward that is attributable to a fund based on the type of assets which may be held within 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.
- Prudential will keep the risk ratings under regular review and as such they may be subject to change in the future. We therefore recommend that before making any fund choice in the future you understand the appropriate risk rating before making a decision.
- You should also consider discussing your decision and the appropriateness of this risk rating with an adviser

Important information

Who manages the funds?

Prudential delegates the investment management of the funds for the Kingfisher Pension Scheme Money Purchase Section (KPS-MP) to a range of underlying fund managers.

The fund is currently managed by M&G Investments.

Please note that the Trustee has the flexibility to change the underlying fund manager(s) at any time.

How are the fund prices calculated?

The fund has a single price based on the valuation of the underlying assets and the cashflows into and out of the fund. This valuation price will be the published price.

What is the dealing cycle?

The fund is forward priced, which means that the member gets the next available price after they invest.

The fund has a dealing cycle of T+0. This means that the money received on day T buys units at the valuation date price applicable at close of business on the same day.

Who is this factsheet for and what does it do?

This factsheet is for the members of the Kingfisher Pension Scheme Money Purchase Section (KPS-MP).

Its purpose is to indicate 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, please contact an Independent Financial Adviser.

Can I get advice?

This factsheet should not be considered as a financial promotion and any changes to investment arrangements should be discussed with an Independent Financial Adviser. If you do not have an Independent Financial Adviser you can find a local adviser at www.unbiased.co.uk. 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.

How are the performance figures calculated?

Performance is measured on the fluctuation of the daily unit price. The performance shown overleaf is based on the daily published price on the dates shown.

For the purposes of comparison with the benchmark we have used unit prices with the closest valuation point to that of the benchmark, taking into consideration the relevant dealing cycle.

To obtain unit price and performance information for all available funds, simply log on to www.kingfisherpensions.com

Other important information

Exchange Rate Risk – exchange rate fluctuations may cause the Sterling values of overseas investments to rise or fall.

**Issued by the Trustees of the Kingfisher Pension Scheme Money Purchase Section (KPS-MP).
The information contained within this factsheet and the risk ratings are provided by Prudential.**