

# The Prudential Series Fund

| ■ Value Portfolio — Class II Shares



**This report is only authorized for distribution when preceded or accompanied by a current prospectus. Investors should carefully consider the contract and the underlying portfolios' investment objectives, risks, and charges and expenses before investing. The contract prospectus and the underlying portfolio prospectuses contain information on the investment objectives, risks, and charges and expenses, as well as other important information. Read them carefully before investing or sending money.**

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The Prudential Series Fund offers two classes of shares in each Portfolio: Class I and Class II. Class I shares are sold only to separate accounts of The Prudential Insurance Company of America, Pruco Life Insurance Company, Pruco Life Insurance Company of New Jersey (collectively, Prudential) as investment options under variable life insurance and variable annuity contracts (the Contracts). (A separate account keeps the assets supporting certain insurance contracts separate from the general assets and liabilities of the insurance company.) Class II shares are offered only to separate accounts of non-Prudential insurance companies for the same types of Contracts.

A description of the Fund's proxy voting policies and procedures is available, without charge, upon request. Owners of variable annuity contracts should call 888-778-2888 and owners of variable life insurance contracts should call 800-778-2255 to obtain descriptions of the Fund's proxy voting policies and procedures. The description is also available on the website of the Securities and Exchange Commission (the "Commission") at [www.sec.gov](http://www.sec.gov). Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available on the website of the Commission at [www.sec.gov](http://www.sec.gov) and on the Fund's website.

The Fund files with the Commission a complete listing of portfolio holdings as of its first and third quarter-end on Form N-Q. Form N-Q is available on the Commission's website at [www.sec.gov](http://www.sec.gov) or by visiting the Commission's Public Reference Room. For more information on the Commission's Public Reference Room, please visit the Commission's website or call 1-800-SEC-0330. Form N-Q is also available on the Fund's website at [www.prudential.com](http://www.prudential.com) or by calling the telephone numbers referenced above.

Life insurance policies and annuity contracts contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Your licensed financial professional can provide you with costs and complete details. Contract guarantees are based on the claims-paying ability of the issuing company.

Pru, Prudential, Prudential Financial, Rock Solid, "The Rock", the Rock Logo and the Rock Prudential Logo are registered service marks of The Prudential Insurance Company of America, Newark, NJ, and its affiliates.

The Prudential Series Fund Class II Portfolio's are available through life insurance contracts issued by various insurance companies other than The Prudential Insurance Company of America and its affiliates. The funds in The Prudential Series Fund are distributed by Prudential Investment Management Services, LLC, a Prudential Financial company and member SIPC. PIMs' principal business address is Gateway Center Three, 100 Mulberry Street, Newark, New Jersey 07102-3777. Each company is solely responsible for its own financial condition and contractual obligations.

The Fund's Statement of Additional Information contains additional information about the Fund's Trustees and is available without charge upon request by calling 800-778-2255.

■ **DEAR CONTRACT OWNER**

Our objective at Prudential is very simple — we strive to help our clients achieve and maintain financial success. Our Prudential Series Fund annual report details this commitment to you as we focus on ways to help you with your financial security. We hope you find it both informative and useful.

While 2008 presented unprecedented challenges to investors, it also proved that Prudential's strategies around growing and protecting our clients' wealth have never been more important.

Your financial professional is the best resource to help you understand how market changes affect your investments. Together, you can develop a diversified mix of investments that works best for you and review it periodically to ensure your financial objectives remain on target.

Thank you for selecting Prudential as one of your financial partners. We value your trust and appreciate the opportunity to help you reach your financial goals.

Sincerely,



Steve Pelletier  
President,  
The Prudential Series Fund

January 30, 2009



PRESIDENT  
STEVE PELLETIER

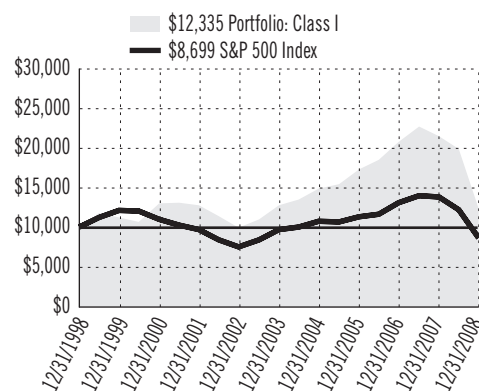
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**Investment Manager's Report - As of December 31, 2008**

**Average Annual Total Return Percentages**

	1-Year	5-Year	10-Year	Since Inception
Portfolio: Class I	-42.29%	-0.63%	2.12%	N/A
Portfolio: Class II	-42.56	-1.03	N/A	-1.37%
S&P 500 Index	-36.99	-2.19	-1.38	-2.36
Russell 1000® Value Index	-36.85	-0.79	1.36	0.12

**\$10,000 INVESTED OVER 10 YEARS<sup>1</sup>**



**Past performance does not guarantee future returns. The investment return and principal value of an investment will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the past performance data quoted.**

*Portfolio (Class I) inception: 2/19/1988. Portfolio (Class II) inception: 5/14/2001.* Portfolio performance is net of investment fees and fund expenses, but not product charges, which, if included, would significantly lower the performance quoted. Unless noted otherwise, Index returns reflect performance beginning the closest month-end date to the Portfolio's inception (Class II). The Russell 1000® Value Index is a trademark/service mark of the Frank Russell Company. Russell® is a trademark of the Frank Russell Company. Performance figures may reflect fee waivers and/or expense reimbursements. In the absence of such fee waivers and/or expense reimbursements, total returns would be lower.

For the year ended December 31, 2008, the Value Portfolio underperformed its benchmark index (the Index, the Russell 1000® Value Index).

Energy holdings were the primary cause of underperformance relative to the Index. Telecommunications, due to a couple individual stock disappointments, was also a meaningful source of relative loss. Although the Portfolio trailed the Index in financials, a persistent underweight in the sector benefited relative return and greatly mitigated the performance lag. The consumer discretionary sector detracted from relative performance; however, individual holdings had mixed results.

An aggressive risk posture hurt performance. In 2008, a year that saw large negative returns across the board, stocks with higher beta factors generally declined more than less aggressive stocks. (Beta measures a stock's volatility to the degree in which its price fluctuates in relation to the overall market). Consequently, the subadviser's higher beta positioning detracted from returns.

Overall, risk factors also hurt relative performance. The subadviser's overexposure to leveraged stocks (stocks in companies with above-market debt-to-asset ratios) and high earnings variability (earnings variation, which measures the volatility in a company's earnings and cash flow) detracted from returns.

On the positive side, security selection was strong in healthcare. One of the largest single contributors was a healthcare company that dispenses drugs to nursing homes and other long-term care facilities. The Portfolio also outperformed the Index in consumer staples, industrials, and information technology. A smaller exposure to materials added to relative performance.

*Prudential Investments LLC (PI), an indirect, wholly owned subsidiary of Prudential Financial, Inc., serves as the investment manager for the Fund.*

<sup>1</sup> The graph is based on the performance of Class I shares. Performance of Class II shares will be lower due to differences in the fee structure. Class II shares have associated 12b-1 and administrative fees at an annual rate of 0.25% and 0.15%, respectively, of the average daily net assets of the Class II shares.

**S&P 500 Index** is an unmanaged, market value-weighted index of 500 stocks generally representative of the broad stock market. **Russell 1000 Value Index** is a market cap-weighted index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. **Investors cannot invest directly in a market index.** For a complete list of holdings, refer to the Schedule of Investments section of this report.

Value	
Five Largest Holdings	(% of Net Assets)
Symantec Corp.	3.1%
Comcast Corp. (Class A Stock)	3.1%
CA, Inc.	3.1%
IAC/InterActiveCorp.	2.9%
H&R Block, Inc.	2.8%

As a contract owner investing in Portfolios of the Fund through a variable annuity or variable life contract, you incur ongoing costs, including management fees, and other Portfolio expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other investment options. This example does not reflect fees and charges under your variable annuity or variable life contract. If contract charges were included, the costs shown below would be higher. Please consult the prospectus for your contract for more information about contract fees and charges.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period July 1, 2008 through December 31, 2008.

#### Actual Expenses

The first line of the table below provides information about actual account values and actual expenses. You may use this information, together with the amount you invested, to estimate the Portfolio expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the Portfolio expenses you paid on your account during this period. As noted above, the table does not reflect variable contract fees and charges.

#### Hypothetical Example for Comparison Purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Portfolio's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Portfolio and other investment options. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other investment options.

Please note that the expenses shown in the table are meant to highlight your ongoing Portfolio costs only and do not reflect any contract fees and charges, such as sales charges (loads), insurance charges or administrative charges. Therefore the second line of the table is useful to compare ongoing investment option costs only, and will not help you determine the relative total costs of owning different contracts. In addition, if these contract fee and charges were included, your costs would have been higher.

The Prudential Series Fund Portfolios		Beginning Account Value July 1, 2008	Ending Account Value December 31, 2008	Annualized Expense Ratio based on the Six-Month period	Expenses Paid During the Six-Month period
Value (Class I)	Actual	\$1,000.00	\$ 623.10	0.43%	\$1.75
	Hypothetical	\$1,000.00	\$1,022.97	0.43%	\$2.19
Value (Class II)	Actual	\$1,000.00	\$ 621.40	0.83%	\$3.38
	Hypothetical	\$1,000.00	\$1,020.96	0.83%	\$4.22

Portfolio expenses (net of fee waivers or subsidies, if any) for each share class are equal to the annualized expense ratio for each share class (provided in the table), multiplied by the average account value over the period, multiplied by the 184 days in the six-month period ended December 31, 2008, and divided by the 366 days in the Portfolio's fiscal year ended December 31, 2008 (to reflect the six-month period). Expenses presented in the table include the expenses of any underlying portfolios in which the Portfolio may invest.

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**VALUE PORTFOLIO**

**SCHEDULE OF INVESTMENTS**

**December 31, 2008**

**LONG-TERM INVESTMENTS — 95.7%**

<b>COMMON STOCKS — 94.1%</b>	<b>Shares</b>	<b>Value (Note 2)</b>
<b>Auto Components — 0.6%</b>		
Goodyear Tire & Rubber Co. (The)(a)(b) .....	943,400	\$ 5,632,098
<b>Capital Markets — 6.7%</b>		
Bank of New York Mellon Corp. (The) .....	640,895	18,156,555
Goldman Sachs Group, Inc. (The) ...	239,700	20,228,283
Morgan Stanley(b) .....	859,300	13,783,172
TD Ameritrade Holding Corp.(a) ....	711,100	10,133,175
		<u>62,301,185</u>
<b>Commercial Banks — 0.4%</b>		
SunTrust Banks, Inc. ....	127,700	3,772,258
<b>Commercial Services &amp; Supplies — 2.4%</b>		
Waste Management, Inc. ....	687,600	22,787,064
<b>Communications Equipment — 1.1%</b>		
QUALCOMM, Inc. ....	276,800	9,917,744
<b>Consumer Finance — 1.5%</b>		
SLM Corp.(a)(b) .....	1,601,900	14,256,910
<b>Diversified Consumer Services — 4.2%</b>		
Career Education Corp.(a)(b) .....	711,800	12,769,692
H&R Block, Inc. ....	1,153,700	26,212,064
		<u>38,981,756</u>
<b>Diversified Financial Services — 0.8%</b>		
JPMorgan Chase & Co. ....	231,200	7,289,736
<b>Electric Utilities — 1.6%</b>		
Entergy Corp. ....	177,400	14,747,262
<b>Energy Equipment &amp; Services — 1.1%</b>		
National Oilwell Varco, Inc.(a) .....	404,500	9,885,980
<b>Food &amp; Staples Retailing — 6.7%</b>		
CVS Caremark Corp. ....	800,900	23,017,866
Kroger Co. (The) .....	765,600	20,219,496
Wal-Mart Stores, Inc. ....	340,500	19,088,430
		<u>62,325,792</u>
<b>Food Products — 6.3%</b>		
Cadbury PLC, ADR (United Kingdom) .....	557,272	19,877,892
ConAgra Foods, Inc. ....	1,158,800	19,120,200
Tyson Foods, Inc. (Class A Stock) ..	2,322,100	20,341,596
		<u>59,339,688</u>
<b>Healthcare Providers &amp; Services — 4.8%</b>		
Aetna, Inc. ....	571,300	16,282,050
Omnicare, Inc.(b) .....	692,000	19,209,920
UnitedHealth Group, Inc. ....	346,600	9,219,560
		<u>44,711,530</u>
<b>Household Products — 1.9%</b>		
Kimberly-Clark Corp. ....	344,300	18,158,382
<b>Independent Power Producers &amp; Energy Traders — 2.4%</b>		
NRG Energy, Inc.(a)(b) .....	982,900	22,931,057
<b>Insurance — 5.7%</b>		
Allstate Corp. (The) .....	340,600	11,158,056
Axis Capital Holdings Ltd. ....	444,000	12,929,280

**COMMON STOCKS**

<b>(continued)</b>	<b>Shares</b>	<b>Value (Note 2)</b>
<b>Insurance (continued)</b>		
Berkshire Hathaway, Inc. (Class B Stock)(a) .....	3,064	\$ 9,847,696
Loews Corp. ....	469,900	13,274,675
XL Capital Ltd. (Class A Stock)(Bermuda) .....	1,767,773	6,540,760
		<u>53,750,467</u>
<b>Internet &amp; Catalog Retail — 1.4%</b>		
HSN, Inc.(a) .....	402,280	2,924,576
Ticketmaster Entertainment, Inc.(a) .....	1,524,640	9,788,188
		<u>12,712,764</u>
<b>Internet Software &amp; Services — 2.9%</b>		
IAC/InterActiveCorp.(a)(b) .....	1,709,200	26,885,716
<b>Media — 6.3%</b>		
Comcast Corp. (Class A Stock) .....	1,707,200	28,817,536
Discovery Communications, Inc. (Class A Stock)(a) .....	667,000	9,444,720
Liberty Global, Inc. (Class C Stock)(a)(b) .....	1,193,735	18,120,897
Sirius XM Radio, Inc.(a)(b) .....	20,337,100	2,440,452
		<u>58,823,605</u>
<b>Multi-Utilities — 2.2%</b>		
Sempra Energy .....	475,000	20,249,250
<b>Office Electronics — 1.4%</b>		
Xerox Corp. ....	1,621,500	12,923,355
<b>Oil, Gas &amp; Consumable Fuels — 13.7%</b>		
Apache Corp. ....	122,500	9,129,925
Devon Energy Corp. ....	243,000	15,967,530
EOG Resources, Inc. ....	217,500	14,481,150
Hess Corp. ....	171,600	9,204,624
Occidental Petroleum Corp. ....	314,800	18,884,852
Petroleo Brasileiro SA, ADR (Brazil) .....	392,700	9,617,223
Suncor Energy, Inc.(b) .....	445,600	8,689,200
Trident Resources Corp. (Canada), Private Placement(a)(f)(g) (original cost \$16,980,633; purchased 3/11/05-1/05/06) .....	404,537	1,720,388
Williams Cos., Inc. ....	1,209,500	17,513,560
XTO Energy, Inc. ....	649,500	22,907,865
		<u>128,116,317</u>
<b>Paper &amp; Forest Products — 0.6%</b>		
Domtar Corp.(a) .....	3,239,600	5,410,132
<b>Pharmaceuticals — 5.3%</b>		
Mylan, Inc.(a)(b) .....	1,198,800	11,856,132
Schering-Plough Corp. ....	1,163,600	19,816,108
Wyeth .....	489,500	18,361,145
		<u>50,033,385</u>
<b>Semiconductors &amp; Semiconductor Equipment — 1.3%</b>		
Marvell Technology Group Ltd.(a) ...	1,721,700	11,483,739
Spansion, Inc. (Class A Stock)(a) ...	3,307,200	626,053
		<u>12,109,792</u>

**SEE NOTES TO FINANCIAL STATEMENTS.**

**VALUE PORTFOLIO (continued)**

**SCHEDULE OF INVESTMENTS**

**December 31, 2008**

**COMMON STOCKS  
(continued)**

	Shares	Value (Note 2)
<b>Software — 7.3%</b>		
CA, Inc.(b) .....	1,555,000	\$ 28,814,150
Microsoft Corp. ....	566,500	11,012,760
Symantec Corp.(a) .....	2,140,700	28,942,264
		<u>68,769,174</u>
<b>Thriffs &amp; Mortgage Finance — 1.0%</b>		
People's United Financial, Inc. ....	517,060	9,219,180
<b>Wireless Telecommunication Services — 2.5%</b>		
NII Holdings, Inc.(a) .....	947,100	17,218,278
Sprint Nextel Corp. ....	2,403,236	4,397,922
Virgin Mobile USA, Inc. (Class A Stock)(a)(b) .....	2,181,000	1,832,040
		<u>23,448,240</u>
<b>TOTAL COMMON STOCKS</b> (cost \$1,215,162,296) .....		<u>879,489,819</u>

**CONVERTIBLE PREFERRED STOCKS(a) — 1.2%**

<b>Consumer Finance — 0.4%</b>		
SLM Corp. ....	9,540	4,391,978
<b>Pharmaceuticals — 0.8%</b>		
Mylan, Inc. ....	11,040	7,275,691
<b>TOTAL CONVERTIBLE PREFERRED STOCKS</b> (cost \$10,782,770) .....		<u>11,667,669</u>

**CORPORATE BOND — 0.4%**

	Principal Amount (000)	
<b>Oil, Gas &amp; Consumable Fuels</b>		
Trident Resources Corp. (Canada), Private Placement, PIK, 7.9712%, due 8/12/12(f)(g) (original cost \$11,640,318; purchased 8/20/07-12/29/08) .....	CAD 12,250	3,349,256
	<u>Units</u>	

**WARRANT**

<b>Oil, Gas &amp; Consumable Fuels</b>		
Trident Resources Corp. (Canada), Private Placement, expiring 1/01/15(a)(f)(g) (original cost \$0; purchased 8/20/07) .....	1,043,852	85
<b>TOTAL LONG -TERM INVESTMENTS</b> (cost \$1,237,585,384) .....		<u>894,506,829</u>

**SHORT-TERM INVESTMENT — 17.2%**

	Shares	Value (Note 2)
<b>Affiliated Money Market Mutual Fund</b>		
Dryden Core Investment Fund — Taxable Money Market Series (cost \$160,600,574; includes \$124,170,983 of cash collateral for securities on loan) (Note 4)(c)(d) .....	160,600,574	\$ 160,600,574
<b>TOTAL INVESTMENTS(e) — 112.9%</b> (cost \$1,398,185,958) .....		<u>1,055,107,403</u>
<b>LIABILITIES IN EXCESS OF OTHER ASSETS — (12.9)%</b> .....		
		<u>(120,336,763)</u>
<b>NET ASSETS — 100.0%</b> .....		<u>\$ 934,770,640</u>

The following abbreviations are used in portfolio descriptions:

ADR	American Depositary Receipt
CAD	Canadian Dollar
PIK	Payment in Kind

- (a) Non-income producing security.
- (b) All or a portion of security is on loan. The aggregate market value of such securities is \$104,916,950; cash collateral of \$124,170,983 (included in liabilities) was received with which the Portfolio purchased highly liquid short-term investments.
- (c) Represents security, or portion thereof, purchased with cash collateral received for securities on loan.
- (d) Prudential Investments LLC, the Manager of the Portfolio, also serves as Manager of the Dryden Core Investment Fund – Taxable Money Market Series.
- (e) As of December 31, 2008, three securities valued at \$5,069,729 and representing 0.5% of net assets were fair valued in accordance with the policies adopted by the Board of Trustees.
- (f) Indicates an illiquid security.
- (g) Indicates a security restricted to resale. The aggregate cost of such securities was \$28,620,951. The aggregate value of \$5,069,729 is approximately 0.5% of net assets.

Various inputs are used in determining the value of the Portfolio's investments. These inputs are summarized in the three broad levels listed below.

Level 1—quoted prices in active markets for identical securities

Level 2—other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3—significant unobservable inputs (including the Portfolio's own assumptions in determining the fair value of investments)

**SEE NOTES TO FINANCIAL STATEMENTS.**

**VALUE PORTFOLIO (continued)**

**SCHEDULE OF INVESTMENTS**

**December 31, 2008**

The following is a summary of the inputs used as of December 31, 2008 in valuing the Portfolio's assets carried at fair value:

<b>Valuation inputs</b>	<b>Investments in Securities</b>	<b>Other Financial Instruments*</b>
Level 1—Quoted Prices .....	\$1,050,037,674	—
Level 2—Other Significant Observable Inputs .....	—	—
Level 3—Significant Unobservable Inputs .....	5,069,729	—
Total .....	<u>\$1,055,107,403</u>	<u>—</u>

\* Other financial instruments are derivative instruments not reflected in the Schedule of Investments, such as futures, forwards and swap contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

The following is a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value:

	<b>Investments in Securities</b>
<b>Balance as of 12/31/07</b> .....	<b>\$ 31,877,059</b>
Realized gain (loss) .....	(18,065,534)
Change in unrealized appreciation (depreciation) .....	(5,206,967)
Net purchases (sales) .....	(3,534,829)
Transfers in and/or out of Level 3 .....	—
<b>Balance as of 12/31/08</b> .....	<b>\$ 5,069,729</b>

The industry classification of portfolio holdings and liabilities in excess of other assets shown as a percentage of net assets as of December 31, 2008 was as follows:

Affiliated Money Market Mutual Fund (including 13.3% of collateral received for securities on loan) .....	17.2%
Oil, Gas & Consumable Fuels .....	14.1
Software .....	7.3
Capital Markets .....	6.7
Food & Staples Retailing .....	6.7
Food Products .....	6.3
Media .....	6.3
Pharmaceuticals .....	6.1
Insurance .....	5.7
Healthcare Providers & Services .....	4.8
Diversified Consumer Services .....	4.2
Internet Software & Services .....	2.9
Wireless Telecommunication Services .....	2.5
Commercial Services & Supplies .....	2.4
Independent Power Producers & Energy Traders .....	2.4
Multi-Utilities .....	2.2
Consumer Finance .....	1.9
Household Products .....	1.9
Electric Utilities .....	1.6
Internet & Catalog Retail .....	1.4
Office Electronics .....	1.4
Semiconductors & Semiconductor Equipment .....	1.3
Communications Equipment .....	1.1
Energy Equipment & Services .....	1.1
Thrifts & Mortgage Finance .....	1.0
Diversified Financial Services .....	0.8
Auto Components .....	0.6
Paper & Forest Products .....	0.6
Commercial Banks .....	0.4
	<u>112.9</u>
Liabilities in excess of other assets .....	(12.9)
	<u>100.0%</u>

**SEE NOTES TO FINANCIAL STATEMENTS.**

**VALUE PORTFOLIO (continued)**

**STATEMENT OF ASSETS AND LIABILITIES**

December 31, 2008

**ASSETS**

Investments, at value including securities on loan of \$104,916,950:	
Unaffiliated investments (cost \$1,237,585,384) . . . . .	\$ 894,506,829
Affiliated investments (cost \$160,600,574) . . . . .	160,600,574
Cash . . . . .	518,463
Foreign currency, at value (cost \$8) . . . . .	8
Receivable for investments sold . . . . .	2,423,907
Dividends and interest receivable . . . . .	1,508,942
Foreign tax reclaim receivable . . . . .	261,649
Prepaid expenses . . . . .	19,496
Receivable for Series shares sold . . . . .	4,795
<b>Total Assets</b> . . . . .	<b>1,059,844,663</b>

**LIABILITIES**

Collateral for securities on loan . . . . .	124,170,983
Payable for Series shares repurchased . . . . .	420,276
Management fee payable . . . . .	302,680
Accrued expenses and other liabilities . . . . .	178,374
Affiliated transfer agent fee payable . . . . .	1,166
Distribution fee payable . . . . .	340
Administration fee payable . . . . .	204
<b>Total Liabilities</b> . . . . .	<b>125,074,023</b>

**NET ASSETS** . . . . . **\$ 934,770,640**

Net assets were comprised of:	
Paid-in capital . . . . .	\$1,489,740,394
Retained earnings . . . . .	(554,969,754)
Net assets, December 31, 2008 . . . . .	<b>\$ 934,770,640</b>

**Class I:**

Net asset value and redemption price per share, \$933,063,706 / 85,888,673 outstanding shares of beneficial interest . . . . .	<b>\$ 10.86</b>
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**Class II:**

Net asset value and redemption price per share, \$1,706,934 / 156,481 outstanding shares of beneficial interest . . . . .	<b>\$ 10.91</b>
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**STATEMENT OF OPERATIONS**

Year Ended December 31, 2008

**INVESTMENT INCOME**

Unaffiliated dividend income (net of foreign withholding taxes of \$178,187) . . . . .	\$ 23,477,278
Affiliated income from securities loaned, net . . . . .	1,565,040
Interest . . . . .	1,333,979
Affiliated dividend income . . . . .	796,666
	<b>27,172,963</b>

**EXPENSES**

Management fee . . . . .	5,732,527
Distribution fee—Class II . . . . .	5,523
Administration fee—Class II . . . . .	3,314
Shareholders' reports . . . . .	165,000
Custodian's fees and expenses . . . . .	152,000
Trustees' fees . . . . .	29,000
Insurance expenses . . . . .	22,000
Audit fee . . . . .	17,000
Legal fees and expenses . . . . .	12,000
Interest expense (Note 8) . . . . .	11,019
Transfer agent's fee and expenses (including affiliated expense of \$6,700) (Note 4) . . . . .	7,000
Commitment fee on syndicated credit agreement . . . . .	4,000
Miscellaneous . . . . .	30,351
<b>Total expenses</b> . . . . .	<b>6,190,734</b>

**NET INVESTMENT INCOME** . . . . . **20,982,229**

**NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCIES**

Net realized loss on:	
Investment transactions . . . . .	(205,279,699)
Foreign currency transactions . . . . .	(142,035)
	<b>(205,421,734)</b>
Net change in unrealized appreciation (depreciation) on:	
Investments . . . . .	(533,239,551)
Foreign currencies . . . . .	(79)
	<b>(533,239,630)</b>

**NET LOSS ON INVESTMENTS AND FOREIGN CURRENCIES** . . . . . **(738,661,364)**

**NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS** . . . . . **\$ (717,679,135)**

**STATEMENT OF CHANGES IN NET ASSETS**

	<b>Year Ended December 31,</b>	
	<b>2008</b>	<b>2007</b>
<b>INCREASE (DECREASE) IN NET ASSETS OPERATIONS:</b>		
Net investment income . . . . .	\$ 20,982,229	\$ 26,611,582
Net realized gain (loss) on investment and foreign currency transactions . . . . .	(205,421,734)	305,443,018
Net change in unrealized appreciation (depreciation) on investments and foreign currencies . . . . .	(533,239,630)	(265,627,465)
<b>NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS</b> . . . . .	<b>(717,679,135)</b>	<b>66,427,135</b>
<b>DISTRIBUTIONS:</b>		
Class I . . . . .	(331,218,021)	(242,165,135)
Class II . . . . .	(495,826)	(373,906)
<b>TOTAL DISTRIBUTIONS</b> . . . . .	<b>(331,713,847)</b>	<b>(242,539,041)</b>
<b>SERIES SHARE TRANSACTIONS (Note 7):</b>		
Series shares sold [1,045,728 and 1,101,337 shares, respectively] . . . . .	17,037,608	29,566,166
Series shares issued in reinvestment of distributions [18,008,178 and 10,431,739 shares, respectively] . . . . .	331,713,847	242,539,041
Series shares repurchased [10,971,164 and 9,083,303 shares, respectively] . . . . .	(192,551,116)	(246,981,367)
<b>NET INCREASE IN NET ASSETS RESULTING FROM SERIES SHARE TRANSACTIONS</b> . . . . .	<b>156,200,339</b>	<b>25,123,840</b>
<b>TOTAL DECREASE IN NET ASSETS</b> . . . . .	<b>(893,192,643)</b>	<b>(150,988,066)</b>
<b>NET ASSETS:</b>		
Beginning of year . . . . .	1,827,963,283	1,978,951,349
End of year . . . . .	<b>\$ 934,770,640</b>	<b>\$1,827,963,283</b>

**SEE NOTES TO FINANCIAL STATEMENTS.**

## NOTES TO THE FINANCIAL STATEMENTS OF THE PRUDENTIAL SERIES FUND

### Note 1: General

The Prudential Series Fund (“Series Fund”), organized as a Delaware statutory trust, is a diversified open-end management investment company registered under the Investment Company Act of 1940, as amended. On January 2, 2006, each Portfolio of the Series Fund changed its federal income tax status from a regulated investment company to a partnership. As a result of that conversion, the Series Fund was reorganized from a Maryland corporation to a Delaware statutory trust. Pursuant to this reorganization, the Series Fund has been renamed “The Prudential Series Fund.” The Series Fund is composed of twenty-eight Portfolios (“Portfolio” or “Portfolios”), each with separate series shares. The information presented in these financial statements pertains to one Portfolio: Value Portfolio.

The Portfolio of the Series Fund has the following as investment objectives:

*Value Portfolio:* Capital appreciation by investing in equity and equity-related securities that are considered to be undervalued.

The ability of issuers of debt securities (other than those issued or guaranteed by the U.S. Government) held by the Portfolio to meet their obligations may be affected by the economic or political developments in a specific industry, region or country.

Foreign security and currency transactions may involve certain considerations and risks not typically associated with those of domestic origin as a result of, among other factors, the possibility of political and economic instability or the level of governmental supervision and regulation of foreign securities markets.

### Note 2: Accounting Policies

The following is a summary of significant accounting policies followed by the Series Fund and the Portfolio in preparation of its financial statements.

*Securities Valuation:* Securities listed on a securities exchange are valued at the last sale price on such exchange on the day of valuation or, if there was no sale on such day, at the mean between the last reported bid and asked prices, or at the last bid price on such day in the absence of an asked price. Securities traded via NASDAQ are valued at the official closing price provided by NASDAQ. Securities that are actively traded in the over-the-counter market, including listed securities for which the primary market is believed by Prudential Investments LLC (“PI” or “Manager”) in consultation with the subadvisors, to be over-the-counter, are valued at market value using prices provided by an independent pricing agent or principal market maker. Options on securities and indices traded on an exchange are valued at the last sale price as of the close of trading on the applicable exchange or, if there was no sale, at the mean between the most recently quoted bid and asked prices on such exchange, or at the last bid price in the absence of an asked price. Futures contracts and options thereon traded on a commodities exchange or board of trade are valued at the last sale price at the close of trading on such exchange or board of trade or, if there was no sale on the applicable commodities exchange or board of trade on such day, at the mean between the most recently quoted bid and asked prices on such exchange or board of trade or at the last bid price in the absence of an asked price. Prices may be obtained from independent pricing services which use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Securities for which reliable market quotations are not readily available, or whose values have been affected by events occurring after the close of the security’s foreign market and before the Series Fund’s normal pricing time, are valued at fair value in accordance with Board of Trustees approved fair valuation procedures. When determining the fair value of securities, some of the factors influencing the valuation include, the nature of any restrictions on disposition of the securities; assessment of the general liquidity of the securities; the issuer’s financial condition and the markets in which it does business; the cost of the investment; the size of the holding and the capitalization of the issuer; the prices of any recent transactions or bids/offers for such securities or any comparable securities; any available analyst media or other reports or information deemed reliable by the investment advisor regarding the issuer or the markets or industry in which it operates. Using fair value to price securities may result in a value that is different from a security’s most recent closing price and from the price used by other mutual funds to calculate their net asset values.

Investments in mutual funds are valued at their net asset value as of the close of the New York Stock Exchange on the date of valuation.

Short-term debt securities that are held in the Portfolio which mature in more than 60 days are valued at current market quotations and those short-term debt securities which mature in 60 days or less are valued at amortized cost which approximates market value. The amortized cost method involves valuing a security at its cost at the time of purchase and thereafter assumes a constant amortization to maturity of any discount or premium.

*Repurchase Agreements:* In connection with transactions in repurchase agreements with United States financial institutions, it is the Series Fund's policy that its custodian or designated subcustodians, as the case may be, under triparty repurchase agreements, take possession of the underlying collateral securities, the value of which exceeds the principal amount of the repurchase transaction, including accrued interest. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked to market on a daily basis to ensure the adequacy of the collateral. If the seller defaults and the value of the collateral declines, or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Series Fund may be delayed or limited.

*Foreign Currency Translation:* The books and records of the Series Fund are maintained in U.S. dollars. Foreign currency amounts are translated into U.S. dollars on the following basis:

- (i) market value of investment securities, other assets and liabilities at the current daily rates of exchange.
- (ii) purchases and sales of investment securities, income and expenses at the rates of exchange prevailing on the respective dates of such transactions.

Although the net assets of the Series Fund are presented at the foreign exchange rates and market values at the close of the period, the Series Fund does not isolate that portion of the results of operations arising as a result of changes in the foreign exchange rates from the fluctuations arising from changes in the market prices of securities held at the end of the period. Similarly, the Series Fund does not isolate the effect of changes in foreign exchange rates from the fluctuations arising from changes in the market prices of portfolio securities sold during the period. Accordingly, these realized foreign currency gains (losses) are included in the reported net realized gains (losses) on investment transactions.

Net realized gains (losses) on foreign currency transactions represent net foreign exchange gains (losses) from the holding of foreign currencies, currency gains (losses) realized between the trade date and settlement date on securities transactions, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Series Fund's books and the U.S. dollar equivalent amounts actually received or paid. Net unrealized currency gains (losses) from valuing foreign currency denominated assets and liabilities (other than investments) at period end exchange rates are reflected as a component of net unrealized appreciation (depreciation) on investments and foreign currencies.

*Forward Currency Contracts:* A forward currency contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. Certain Portfolios of the Series Fund may enter into forward currency contracts in order to hedge their exposure to changes in foreign currency exchange rates on their foreign portfolio holdings or on specific receivables and payables denominated in a foreign currency. The contracts are valued daily at current forward exchange rates and any unrealized gain (loss) is included in the assets and liabilities in the financial statements. Gain (loss) is realized on the settlement date of the contract equal to the difference between the settlement value of the original and negotiated forward contracts. This gain (loss), if any, is included in net realized gain (loss) on foreign currency transactions. Risks may arise upon entering into these contracts from the potential inability of the counterparties to meet the terms of their contracts.

*Short Sales:* Certain Portfolios of the Series Fund may sell a security it does not own in anticipation of a decline in the market value of that security (short sale). When a Portfolio makes a short sale, it must borrow the security sold short and deliver it to the broker-dealer through which it made the short sale as collateral for its obligation to deliver the security upon conclusion of the transaction. The Portfolio may have to pay a fee to borrow the particular security and may be obligated to remit any interest or dividends received on such borrowed securities. Dividends declared on short positions open are recorded on the ex-date and interest payable is accrued daily on fixed income securities sold short, both of which are recorded as an expense. A gain, limited to the price at which the Portfolio sold the security short, or a loss, unlimited in magnitude, will be recognized upon the termination of a short sale if the market price at termination is less than or greater than, respectively, the proceeds originally received.

*Options:* Certain Portfolios of the Series Fund may either purchase or write options in order to hedge against adverse market movements or fluctuations in value caused by changes in prevailing interest rates or foreign currency exchange rates or currencies with respect to securities which the Portfolio currently owns or intends to purchase. The Portfolio's principal reason for writing options is to realize, through receipt of premiums, a greater current return than would be realized on the underlying security alone. When the Portfolio purchases an option, it pays a premium and an amount equal to that premium is recorded as an asset. When the Portfolio writes an option, it receives a premium and an amount equal to that premium is recorded as a liability. The asset or liability is adjusted daily to reflect the current market value of the option. If an option expires unexercised, the Portfolio realizes a gain (loss) to the extent of the premium received or paid. If an option is exercised, the premium received or paid is recorded as an adjustment to the proceeds from the sale or the cost basis of the purchase, in determining whether the Portfolio has realized a gain (loss). The difference between the premium and the amount received or paid on effecting a closing purchase or sale transaction is also treated as a realized gain (loss). Gains (losses) on purchased options are included in net realized gains (losses) on investment transactions. Gains (losses) on written options are presented separately as net realized gains (losses) on written option transactions.

The Portfolio, as writer of an option, may have no control over whether the contract may be exercised. As a result, the Portfolio bears the market risk of an unfavorable change in the price of the security underlying the written option. The Portfolio, as purchaser of an over-the-counter option, bears the risk of the potential inability of the counterparties to meet the terms of their contracts.

*Financial Futures Contracts:* A financial futures contract is an agreement to purchase (long) or sell (short) an agreed amount of securities at a set price for delivery on a future date. Upon entering into a financial futures contract, the Portfolio is required to pledge to the broker an amount of cash and/or other assets equal to a certain percentage of the contract amount. This amount is known as the initial margin. Subsequent payments, known as variation margin, are made or received by the Portfolio each day, depending on the daily fluctuations in the value of the underlying security. Such variation margin is recorded for financial statement purposes on a daily basis as unrealized gain (loss). When the contract expires or is closed, the gain (loss) is realized and is presented in the Statement of Operations as net realized gain (loss) on financial futures transactions.

The Portfolio invests in financial futures contracts in order to hedge its existing portfolio securities, or securities the Portfolio intends to purchase, against fluctuations in value caused by changes in prevailing rates or market conditions. Under a variety of circumstances, the Portfolio may not achieve the anticipated benefits of the financial futures contracts and may realize a loss. The use of futures transactions involves the risk of imperfect correlation in movements in the price of futures contracts and the underlying hedged assets.

Forward currency contracts, written options, short sales and financial futures contracts may involve elements of both market and credit risk in excess of the amounts reflected on the Statement of Assets and Liabilities.

*Securities Lending:* Each Portfolio of the Series Fund may lend its portfolio securities to broker-dealers. The loans are secured by collateral at least equal at all times to the market value of the securities loaned. Loans are subject to termination at the option of the borrower or the Portfolio. Upon termination of the loan, the borrower will return to the Portfolio securities identical to the loaned securities. Should the borrower of the securities fail financially, the Portfolio has the right to repurchase the securities using the collateral in the open market. The Portfolio recognizes income, net of any rebate and securities lending agent fees, for lending its securities in the form of fees or interest on the investment of any cash received as collateral. The Portfolio also continues to receive interest and dividends or amounts equivalent thereto on the securities loaned and recognizes any unrealized gain or loss in the market price of the securities loaned that may occur during the term of the loan.

As a result of the bankruptcy filing by Lehman Brothers Holdings Inc., which was the parent company to the Portfolios' Securities Lending Counter Party, Lehman Brothers Inc. (Lehman), the Portfolios' Securities Lending Agent utilized collateral held on behalf of the Portfolios for securities out on loan to compensate the Portfolios for the failure of Lehman to return the securities. Any excess collateral was returned to Lehman.

*Securities Transactions and Net Investment Income:* Securities transactions are recorded on the trade date. Realized gains (losses) on sales of securities are calculated on the identified cost basis. Dividend income is recorded on the ex-dividend date; interest income, which is comprised of four elements: stated coupon, original issue discount, market discount and market premium, is recorded on the accrual basis. Expenses are

recorded on the accrual basis. The Series Fund's expenses are allocated to the respective Portfolios on the basis of relative net assets except for Portfolio specific expenses which are attributable directly to a Portfolio or class level.

For Portfolios with multiple classes of shares, net investment income (loss) (other than administration and distribution fees, which are charged to the respective class) and unrealized and realized gains (losses) are allocated daily to each class of shares based upon the relative proportion of net assets of each class at the beginning of the day.

*Taxes:* For federal income tax purposes, each Portfolio in the Series Fund is treated as a separate taxpaying entity. The Portfolios are treated as partnerships for tax purposes. No provision has been made in the financial statements for U.S. federal, state, or local taxes, as any tax liability arising from operations of the Portfolios is the responsibility of their partners. The Portfolios are not generally subject to entity-level taxation. Partners of each Portfolio are subject to taxes on their distributive share of partnership items.

Withholding taxes on foreign dividends, interest and capital gains have been provided for in accordance with the Series Fund's understanding of the applicable country's tax rules and regulations.

*Distributions:* Distributions from each Portfolio are made in cash and automatically reinvested in additional shares of the same Portfolio. The Money Market Portfolio declares and reinvests distributions daily. The Diversified Bond, Government Income and High Yield Bond Portfolios make distributions, if any, quarterly. All other Portfolios' distributions are generally made on an annual basis. Distributions are recorded on the ex-date.

*Estimates:* The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from these estimates.

**Note 3: Agreements**

The Series Fund has a management agreement with PI. Pursuant to this agreement PI has responsibility for all investment advisory services and supervises the subadvisor's performance of such services. PI has entered into a subadvisory agreement with Jennison Associates LLC ("Jennison") (the "Subadvisor"), under which Jennison provides investment advisory services for the Portfolio of the Series Fund. PI pays for the services of the Subadvisor, compensation of officers of the Series Fund, occupancy and certain clerical and administrative expenses of the Series Fund. The Portfolio bears all other costs and expenses.

The management fee paid to PI is computed daily and payable monthly, at the annual rates specified below, of the value of the Portfolio's average daily net assets.

	<u>Portfolio</u>	<u>Management Fee</u>	<u>Effective Management Fee</u>
Value Portfolio .....		0.40%	0.40%

At December 31, 2008, the Subadvisor that provides investment advisory services to the Portfolio is as follows:

	<u>Portfolio</u>	<u>Subadvisor</u>
Value Portfolio .....		Jennison

The Series Fund has a distribution agreement with Prudential Investment Management Services LLC ("PIMS"), which acts as the distributor of the Class I and Class II shares of the Series Fund. The Series Fund compensates PIMS for distributing and servicing the Series Fund's Class II shares pursuant to a plan of distribution (the "Class II Plan"), regardless of expenses actually incurred by PIMS. The distribution fees are accrued daily and payable monthly. No distribution or service fees are paid to PIMS as distributor of the Class I shares of the Series Fund. Pursuant to the Class II Plan, the Class II shares of each Portfolio compensate PIMS for distribution-related activities at an annual rate of 0.25% of the average daily net assets of the Class II shares.

The Series Fund has an administration agreement with PI, which acts as the administrator of the Class II shares of the Series Fund. The administration fee paid to PI is accrued daily and payable monthly, at the annual rate of 0.15% of the average daily net assets of the Class II shares.

PI has agreed to reimburse each of the following Portfolios the portion of the management fee for that Portfolio equal to the amount that the aggregate annual ordinary operating expenses (excluding interest, taxes, and brokerage commissions) exceed the percentage stated below.

<u>Portfolio</u>	<u>Class I Expense Limit</u>	<u>Class II Expense Limit</u>
Value Portfolio .....	0.75%*	1.15%*

\* Effective July 1, 2008, the expense limitation was removed.

PIMS, PI and Jennison are indirect, wholly-owned subsidiaries of Prudential Financial, Inc. ("Prudential").

**Note 4: Other Transactions with Affiliates**

Prudential Mutual Fund Services LLC ("PMFS"), an affiliate of PI and an indirect, wholly-owned subsidiary of Prudential, serves as the Series Fund's transfer agent. Transfer agent's fees and expenses in the Statement of Operations include certain out-of-pocket expenses paid to non-affiliates, where applicable.

Prudential Investment Management, Inc. ("PIM") an indirect, wholly-owned subsidiary of Prudential, serves as the Series Fund's security lending agent. For the year ended December 31, 2008, PIM was compensated as follows for these services by the Series Fund Portfolio:

<u>Portfolio</u>	<u>PIM</u>
Value Portfolio .....	\$668,162

For the year ended December 31, 2008, Wachovia Securities, LLC ("Wachovia"), an affiliate of PI, earned brokerage commissions from transactions executed on behalf of the Series Fund Portfolio as follows:

<u>Portfolio</u>	<u>Wachovia</u>
Value Portfolio .....	\$28,680

Certain Portfolios invest in the Taxable Money Market Series, a portfolio of the Dryden Core Investment Fund registered under the Investment Company Act of 1940, as amended, and managed by PI.

**Note 5: Portfolio Securities**

The aggregate cost of purchases and the proceeds from the sales of securities (excluding government securities and short-term issues) for the year ended December 31, 2008 were as follows:

Cost of Purchases:

<u>Portfolio</u>	
Value Portfolio .....	\$1,004,102,637

Proceeds from Sales:

<u>Portfolio</u>	
Value Portfolio .....	\$1,140,740,339

**Note 6: Tax Information**

After January 2, 2006, all Portfolios are treated as partnerships for tax purposes. The character of the cash distributions made by the partnerships is generally classified as return of capital nontaxable distributions. After each fiscal year each partner will receive information regarding their distributive allocable share of the partnership's income, gains, losses and deductions.

Prior to January 2, 2006, each Portfolio, which was incorporated as of that date, qualified as a regulated investment company under the Internal Revenue Code and distributed all of its taxable income, including any net realized gains on investments, to shareholders.

With respect to the Portfolios, book cost of assets differs from tax cost of assets as a result of each Portfolio's adoption of a mark to market method of accounting for tax purposes. Under this method, tax cost of assets will approximate its fair market value.

Management has analyzed the Portfolios' tax positions taken on federal income tax returns for all open tax years and has concluded that as of December 31, 2008, no provision for income tax would be required in the Portfolios' financial statements. The Portfolios' federal and state income tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue.

**Note 7: Capital**

The Series Fund offers Class I and Class II shares. Neither Class I nor Class II shares of a Portfolio are subject to any sales charge or redemption charge and are sold at the net asset value of the Portfolio. Class I shares are sold only to certain separate accounts of Prudential to fund benefits under certain variable life insurance and variable annuity contracts ("contracts"). Class II shares are sold only to separate accounts of non-Prudential insurance companies as investment options under certain contracts. The separate accounts invest in shares of the Series Fund through subaccounts that correspond to the Portfolios. The separate accounts will redeem shares of the Series Fund to the extent necessary to provide benefits under the contracts or for such other purposes as may be consistent with the contracts. As of December 31, 2008, the Value Portfolio has Class II shares outstanding.

Transactions in shares of beneficial interest of the Value Portfolio were as follows:

**Value Portfolio:**

	<u>Class I</u>	<u>Shares</u>	<u>Amount</u>
Year ended December 31, 2008:			
Series shares sold .....		1,009,709	\$ 16,588,714
Series shares issued in reinvestment of distributions .....		17,981,434	331,218,021
Series shares repurchased .....		<u>(10,948,900)</u>	<u>(192,163,813)</u>
Net increase (decrease) in shares outstanding .....		<u>8,042,243</u>	<u>\$ 155,642,922</u>
Year ended December 31, 2007:			
Series shares sold .....		1,095,975	\$ 29,415,525
Series shares issued in reinvestment of distributions .....		10,415,705	242,165,135
Series shares repurchased .....		<u>(9,054,986)</u>	<u>(246,234,280)</u>
Net increase (decrease) in shares outstanding .....		<u>2,456,694</u>	<u>\$ 25,346,380</u>
<u>Class II</u>			
Year ended December 31, 2008:			
Series shares sold .....		36,019	\$ 448,894
Series shares issued in reinvestment of distributions .....		26,744	495,826
Series shares repurchased .....		<u>(22,264)</u>	<u>(387,303)</u>
Net increase (decrease) in shares outstanding .....		<u>40,499</u>	<u>\$ 557,417</u>
Year ended December 31, 2007:			
Series shares sold .....		5,362	\$ 150,641
Series shares issued in reinvestment of distributions .....		16,034	373,906
Series shares repurchased .....		<u>(28,317)</u>	<u>(747,087)</u>
Net increase (decrease) in shares outstanding .....		<u>(6,921)</u>	<u>\$ (222,540)</u>

**Note 8: Borrowings and Overdrafts**

The Portfolio, along with other affiliated registered investment companies (the "Funds"), is a party to a Syndicated Credit Agreement ("SCA") with two banks. The SCA provides for a commitment of \$500 million. Interest on any borrowings under the SCA is incurred at contracted market rates and a commitment fee for the unused amount is accrued daily and paid quarterly. Effective October 24, 2008, the Funds renewed the SCA with the banks. The commitment under the renewed SCA continues to be \$500 million. The Funds pay a commitment fee of .13 of 1% of the unused portion of the renewed SCA. The expiration date of the renewed SCA will be October 23, 2009. For the period from October 26, 2007 through October 23, 2008, the Funds paid a commitment fee of .06 of 1% of the unused portion of the agreement. The purpose of the SCA is to provide an alternative source of temporary funding for capital share redemptions.

The Portfolio utilized the line of credit during year ended December 31, 2008. The average balance outstanding is for the number of days the Portfolio had utilized the credit facility.

<u>Portfolio</u>	<u>Approximate Average Balance Outstanding</u>	<u>Number of Days Outstanding</u>	<u>Weighted Average Interest Rates</u>	<u>Amount Outstanding at December 31, 2008</u>
Value Portfolio .....	\$1,061,500	6	2.40%	—

The amount of interest on temporary overdrawn balances paid to the custodian during the year ended December 31, 2008 was as follows:

<u>Portfolio</u>	<u>Approximate Average Balance Outstanding</u>	<u>Weighted Average Interest Rates</u>
Value Portfolio .....	\$2,229,511	3.77%

**Note 9: Ownership and Affiliates**

As of December 31, 2008, all of Class I shares of the Portfolio were owned of record by the Prudential Insurance Company of America (“PICA”) on behalf of the owners of the variable insurance products issued by PICA.

**Note 10: New Accounting Pronouncements**

In March 2008, the Financial Accounting Standards Board (“FASB”) released Statement of Financial Accounting Standards No. 161, Disclosures about Derivative Instruments and Hedging Activities (“FAS 161”). FAS 161 requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of and gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative agreements. The application of FAS 161 is required for any reporting period beginning after November 15, 2008. At this time, management is evaluating the implications of FAS 161 and its impact on the financial statements has not yet been determined.

## Financial Highlights

	Value Portfolio				
	Class I				
	Year Ended December 31,				
	2008	2007	2006	2005	2004
<b>Per Share Operating Performance:</b>					
Net Asset Value, beginning of year	\$ 23.44	\$ 26.21	\$ 22.95	\$ 19.93	\$ 17.36
<b>Income (Loss) From Investment Operations:</b>					
Net investment income	.30	.39	.36	.29	.28
Net realized and unrealized gain (loss) on investments	(8.36)	.42	4.11	3.03	2.55
Total from investment operations	(8.06)	.81	4.47	3.32	2.83
<b>Less Dividends and Distributions:</b>					
Dividends from net investment income	—	—	—	(.30)	(.26)
Distributions	(4.52)	(3.58)	(1.21)	—	—
Total dividends and distributions	(4.52)	(3.58)	(1.21)	(.30)	(.26)
Net Asset Value, end of year	\$ 10.86	\$ 23.44	\$ 26.21	\$ 22.95	\$ 19.93
<b>Total Return(a)</b>	(42.29)%	3.19%	19.94%	16.66%	16.31%
<b>Ratios/Supplemental Data:</b>					
Net assets, end of year (in millions)	\$ 933.1	\$1,824.9	\$1,975.7	\$1,750.1	\$1,595.6
Ratios to average net assets(b):					
Expenses	.43%	.43%	.43%	.43%	.44%
Net investment income	1.46%	1.35%	1.45%	1.35%	1.48%
Portfolio turnover rate	71%	52%	49%	56%	52%

(a) Total return is calculated assuming a purchase of a share on the first day and a sale on the last day of each year reported and includes reinvestment of dividends and distributions and does not reflect the effect of insurance contract charges. Total return does not reflect expenses associated with the separate account such as administrative fees, account charges and surrender charges which, if reflected, would reduce the total returns for all years shown. Performance figures may reflect fee waivers and/or expense reimbursements. In the absence of fee waivers and/or expense reimbursements, the total return would be lower. Past performance is no guarantee of future results. Total returns may reflect adjustments to conform to generally accepted accounting principles.

(b) Does not include expenses of the underlying portfolio in which the Portfolio invests.

	Value Portfolio				
	Class II				
	Year Ended December 31,				
	2008	2007	2006	2005	2004
<b>Per Share Operating Performance:</b>					
Net Asset Value, beginning of year	\$ 23.51	\$ 26.26	\$ 22.98	\$ 19.94	\$17.37
<b>Income (Loss) From Investment Operations:</b>					
Net investment income	.21	.29	.27	.21	.20
Net realized and unrealized gain (loss) on investments	(8.38)	.42	4.11	3.01	2.55
Total from investment operations	(8.17)	.71	4.38	3.22	2.75
<b>Less Dividends and Distributions:</b>					
Dividends from net investment income	—	—	—	(.18)	(.18)
Distributions	(4.43)	(3.46)	(1.10)	—	—
Total dividends and distributions	(4.43)	(3.46)	(1.10)	(.18)	(.18)
Net Asset Value, end of year	\$ 10.91	\$ 23.51	\$ 26.26	\$ 22.98	\$19.94
<b>Total Return(a)</b>	(42.56)%	2.82%	19.43%	16.21%	15.83%
<b>Ratios/Supplemental Data:</b>					
Net assets, end of year (in millions)	\$ 1.7	\$ 2.7	\$ 3.2	\$ 3.1	\$ 3.0
Ratios to average net assets(b):					
Expenses	.83%	.83%	.83%	.83%	.84%
Net investment income	1.08%	.96%	1.04%	.95%	1.08%
Portfolio turnover rate	71%	52%	49%	56%	52%

(a) Total return is calculated assuming a purchase of a share on the first day and a sale on the last day of each year reported and includes reinvestment of dividends and distributions and does not reflect the effect of insurance contract charges. Total return does not reflect expenses associated with the separate account such as administrative fees, account charges and surrender charges which, if reflected, would reduce the total returns for all years shown. Performance figures may reflect fee waivers and/or expense reimbursements. In the absence of fee waivers and/or expense reimbursements, the total return would be lower. Past performance is no guarantee of future results. Total returns may reflect adjustments to conform to generally accepted accounting principles.

(b) Does not include expenses of the underlying portfolio in which the Portfolio invests.

SEE NOTES TO FINANCIAL STATEMENTS.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

THE BOARD OF TRUSTEES AND SHAREHOLDERS  
THE PRUDENTIAL SERIES FUND:

We have audited the accompanying statement of assets and liabilities of The Prudential Series Fund: Value Portfolio (hereafter referred to as the "Fund"), including the portfolio of investments, as of December 31, 2008, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended and the financial highlights for each of the years in the five-year period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2008, by correspondence with the custodian, transfer agent and brokers or by other appropriate auditing procedures where replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Fund as of December 31, 2008, and the results of its operations for the year then ended, the changes in its net assets for each of the years in the two-year period then ended and the financial highlights for each of the years in the five-year period then ended, in conformity with U.S. generally accepted accounting principles.

**KPMG LLP**

New York, New York  
February 18, 2009

## INFORMATION ABOUT TRUSTEES AND OFFICERS (Unaudited)

Information about the Trustees and the Officers of the Fund is set forth below. Trustees who are not deemed to be “interested persons” of the Fund, as defined in the 1940 Act, are referred to as “Independent Trustees.” Trustees who are deemed to be “interested persons” of the Fund are referred to as “Interested Trustees.” The Trustees are responsible for the overall supervision of the operations of the Fund and perform the various duties imposed on the directors of investment companies by the 1940 Act.

Independent Trustees <sup>(1)</sup>		
Name, Address, Age No. of Portfolios Overseen	Principal Occupation(s) During Past Five Years	Other Directorships Held
Saul K. Fenster, Ph.D. (75) No. of Portfolios Overseen: 86	Currently President Emeritus of New Jersey Institute of Technology (since 2002); formerly President (1978-2002) of New Jersey Institute of Technology; Commissioner (1998-2002) of the Middle States Association Commission on Higher Education; Commissioner (1985-2002) of the New Jersey Commission on Science and Technology; formerly Director (1998-2005) of Society of Manufacturing Engineering Education Foundation; formerly Director of Prosperity New Jersey; formerly a director or trustee of Liberty Science Center, Research and Development Council of New Jersey, New Jersey State Chamber of Commerce, and National Action Council for Minorities in Engineering.	Member (since 2006), Board of The Ridgefield Foundation and The Leir Foundation.
Delayne Dedrick Gold (70) No. of Portfolios Overseen: 86	Marketing Consultant (1982-present); formerly Senior Vice President and Member of the Board of Directors, Prudential Bache Securities, Inc.	
W. Scott McDonald, Jr. (71) No. of Portfolios Overseen: 86	Formerly Management Consultant (1997-2004) and of Counsel (2004-2005) at Kaludis Consulting Group, Inc. (company serving higher education); Formerly principal (1995-1997), Scott McDonald Associates; Chief Operating Officer (1991-1995), Fairleigh Dickinson University; Executive Vice President and Chief Operating Officer (1975-1991), Drew University; interim President (1988-1990), Drew University; formerly Director of School, College and University Underwriters Ltd.	
Thomas T. Mooney (67) No. of Portfolios Overseen: 86	Formerly Chief Executive Officer, Excell Partners, Inc.; formerly President of the Greater Rochester Metro Chamber of Commerce, Rochester City Manager; formerly Deputy Monroe County Executive.	
Thomas M. O'Brien (58) No. of Portfolios Overseen: 86	President and COO (since November 2006) and CEO (since April 2007) of State Bancorp, Inc. and State Bank; Vice Chairman (January 1997-April 2000) of North Fork Bank; President and Chief Executive Officer (December 1984-December 1996) of North Side Savings Bank; formerly President and Chief Executive Officer (May 2000-June 2006) Atlantic Bank of New York.	Formerly Director (December 1996-May 2000) of North Fork Bancorporation, Inc.; Formerly Director (May 2000-April 2006) of Atlantic Bank of New York; Director (since November 2006) of State Bancorp, Inc. (NASDAQ: STBC) and State Bank of Long Island.
F. Don Schwartz (73) No. of Portfolios Overseen: 86	Management Consultant (since April 1985).	
Interested Trustee <sup>(1)</sup>		
Robert F. Gunia (62) No. of Portfolios Overseen: 148	Chief Administrative Officer (since September 1999) and Executive Vice President (since December 1996) of Prudential Investments LLC; President (April 1999-December 2008) and Executive Vice President and Chief Operating Officer (since December 2008) of Prudential Investment Management Services LLC; Executive Vice President (since March 1999) and Treasurer (since May 2000) of Prudential Mutual Fund Services LLC; Chief Administrative Officer, Executive Vice President and Director (since May 2003) of AST Investment Services, Inc.	Director (since May 1989) of The Asia Pacific Fund, Inc.

<sup>1</sup> The year that each Trustee joined the Fund's Board is as follows: Saul K. Fenster, 1983; Delayne Dedrick Gold, 2001; Robert F. Gunia, 2001; W. Scott McDonald, Jr., 1983; Thomas T. Mooney, 2001; Thomas M. O'Brien, 2003; F. Don Schwartz, 2003.

<b>Fund Officers</b> <sup>(a)(1)</sup>	
<b>Name, Address and Age Position with the Fund</b>	<b>Principal Occupation(s) During the Past Five Years</b>
Steve Pelletier (55) President and Principal Executive Officer	President of Prudential Annuities (since September 2008); Chairman and CEO, International Investments, Prudential Financial (since January 1998).
Kathryn L. Quirk (56) Chief Legal Officer	Vice President and Corporate Counsel (since September 2004) of Prudential; Executive Vice President, Chief Legal Officer and Secretary (since July 2005) of Prudential Investments LLC (PI) and Prudential Mutual Fund Services LLC (PMFS); Vice President and Corporate Counsel (since June 2005) and Secretary (since February 2006) of AST Investment Services, Inc.; formerly Senior Vice President and Assistant Secretary (November 2004-August 2005) of PI; formerly Assistant Secretary (June 2005-February 2006) of AST Investment Services, Inc.; formerly Managing Director, General Counsel, Chief Compliance Officer, Chief Risk Officer and Corporate Secretary (1997-2002) of Zurich Scudder Investments, Inc.
Deborah A. Docs (51) Secretary	Vice President and Corporate Counsel (since January 2001) of Prudential; Vice President (since December 1996) and Assistant Secretary (since March 1999) of PI; formerly Vice President and Assistant Secretary (May 2003-June 2005) of AST Investment Services, Inc.
Jonathan D. Shain (50) Assistant Secretary	Vice President and Corporate Counsel (since August 1998) of Prudential; Vice President and Assistant Secretary (since May 2001) of PI; Vice President and Assistant Secretary (since February 2001) of PMFS; formerly Vice President and Assistant Secretary (May 2003-June 2005) of AST Investment Services, Inc.
Claudia DiGiacomo (34) Assistant Secretary	Vice President and Corporate Counsel (since January 2005) of Prudential; Vice President and Assistant Secretary of PI (since December 2005); Associate at Sidley Austin Brown & Wood LLP (1999-2004).
John P. Schwartz (37) Assistant Secretary	Vice President and Corporate Counsel (since April 2005) of Prudential; Vice President and Assistant Secretary of PI (since December 2005); Associate at Sidley Austin Brown & Wood LLP (1997-2005).
Andrew R. French (46) Assistant Secretary	Director and Corporate Counsel (since May 2006) of Prudential; Vice President and Assistant Secretary (since January 2007) of PI; Vice President and Assistant Secretary (since January 2007) of PMFS; formerly Senior Legal Analyst of Prudential Mutual Fund Law Department (1997-2006).
Timothy J. Knierim (49) Chief Compliance Officer	Chief Compliance Officer of Prudential Investment Management, Inc. (PIM) (since July 2007); formerly Chief Risk Officer of PIM and PI (2002-2007) and formerly Chief Ethics Officer of PIM and PI (2006-2007).
Valerie M. Simpson (50) Deputy Chief Compliance Officer	Chief Compliance Officer (since April 2007) of PI and AST Investment Services, Inc.; formerly Vice President-Financial Reporting (June 1999-March 2006) for Prudential Life and Annuities Finance.
Theresa C. Thompson (46) Deputy Chief Compliance Officer	Vice President, Compliance, PI (since April 2004); and Director, Compliance, PI (2001 - 2004).
Noreen M. Fierro (44) Anti-Money Laundering Compliance Officer	Vice President, Corporate Compliance (since May 2006) of Prudential; formerly Corporate Vice President, Associate General Counsel (April 2002-May 2005) of UBS Financial Services, Inc., in their Money Laundering Prevention Group; Senior Manager (May 2005-May 2006) of Deloitte Financial Advisory Services, LLP, in their Forensic and Dispute Services, Anti-Money Laundering Group.
Grace C. Torres (49) Treasurer and Principal Financial and Accounting Officer	Assistant Treasurer (since March 1999) and Senior Vice President (since September 1999) of PI; Assistant Treasurer (since May 2003) and Vice President (since June 2005) of AST Investment Services, Inc.; Senior Vice President and Assistant Treasurer (since May 2003) of Prudential Annuities Advisory Services, Inc.; formerly Senior Vice President (May 2003-June 2005) of AST Investment Services, Inc.
M. Sadiq Peshimam (45) Assistant Treasurer	Vice President (since 2005) and Director (2000-2005) within Prudential Mutual Fund Administration.
Peter Parrella (50) Assistant Treasurer	Vice President (since 2007) and Director (2004-2007) within Prudential Mutual Fund Administration; formerly Tax Manager at SSB Citi Fund Management LLC (1997-2004).
Alan Fu (51) Assistant Treasurer	Vice President – Tax, The Prudential Insurance Company of America (1999 to October 2003); Vice President and Corporate Counsel – Tax, Prudential Financial, Inc. (since October 2003).

<sup>(a)</sup> Excludes interested Board Members who also serve as President or Vice President.

<sup>1</sup> The year in which each individual became an Officer of the Fund is as follows: Stephen Pelletier, 2008; Kathryn L. Quirk, 2005; Deborah A. Docs, 2005; Jonathan D. Shain, 2005; Claudia DiGiacomo, 2005; John P. Schwartz, 2006; Andrew R. French, 2006; Timothy J. Knierim, 2007; Valerie M. Simpson, 2007; Theresa C. Thompson, 2008; Noreen M. Fierro, 2006; Grace C. Torres, 1997; Peter Parrella, 2007; M. Sadiq Peshimam, 2006; Alan Fu, 2006.

Explanatory Notes to Tables:

Trustees are deemed to be "Interested", as defined in the 1940 Act, by reason of their affiliation with Prudential Investments LLC and/or an affiliate of Prudential Investments LLC.

Unless otherwise noted, the address of all Trustees and Officers is c/o Prudential Investments LLC, Gateway Center Three, 100 Mulberry Street, Newark, New Jersey 07102.

There is no set term of office for Trustees or Officers. The Independent Trustees have adopted a retirement policy, which calls for the retirement of Trustees on December 31 of the year in which they reach the age of 75.

"Other Directorships Held" includes only directorships of companies required to register or file reports with the SEC under the Securities Exchange Act of 1934 (that is, "public companies") or other investment companies registered under the 1940 Act.

"No. of Portfolios Overseen" includes all investment companies managed by Prudential Investments LLC. The investment companies for which PI serves as manager include the JennisonDryden Funds, Strategic Partners Funds, The Prudential Variable Contract Accounts, The Target Portfolio Trust, The Prudential Series Fund, Advanced Series Trust, The High Yield Income Fund, Inc., The High Yield Plus Fund, Inc., Nicholas-Applegate Fund, Inc. and Prudential's Gibraltar Fund, Inc.

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