

# The Prudential Series Fund

■ Natural Resources 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, and 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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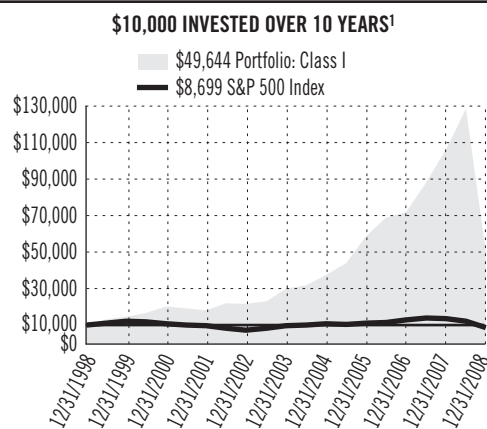
**Investment Manager's Report - As of December 31, 2008**

**Average Annual Total Return Percentages**

	1-Year	5-Year	10-Year	Since Inception
Portfolio: Class I	-53.00%	10.70%	17.38%	N/A
Portfolio: Class II	-53.19	N/A	N/A	6.65%
S&P 500 Index	-36.99	-2.19	-1.38	-4.61
Lipper (VIP) Natural Resources Funds Avg.	-47.18	7.04	11.57	4.05
Lipper (VUF) Natural Resources Funds Index	-50.13	6.07	N/A	3.83

**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: 5/1/1988. Portfolio (Class II) inception: 4/28/2005.* 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). 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 Natural Resources Portfolio underperformed its benchmark, the Lipper (VUF) Natural Resources Funds Index.

The metals and mining subsector drove performance during the year while stock selection of oil and gas exploration and production companies was weak. The most significant contributors to performance were gold mining companies. Oil and gas refiners were among the most significant detractors from performance as record-high commodity prices earlier in the year led to lower margins. Energy service holdings also underperformed as the impact of the global economic slowdown on oil and gas exploration and production led many of these holdings to report weaker-than-expected financial results.

Copper underperformed given the pronounced decline in the commodities market and subsequent fall in metal prices due to fears of a global recession. The Portfolio continued to emphasize fiscally-conservative exploration and production companies that are growing production and reserves by successfully exploiting unconventional sources of oil or gas and as such, offering more leverage to historically high oil and/or natural gas prices.

*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. The Lipper Variable Insurance Products (VIP) Funds Averages are calculated by Lipper Analytical Services, Inc., and reflect the investment return of certain portfolios underlying variable life and annuity products. The Lipper Variable Underlying Funds (VUF) Natural Resources Funds Index consists of an equal dollar-weighted composite of the 10 largest funds in the Lipper VUF Natural Resources Fund classification. The index is rebalanced quarterly. Natural Resources Funds are deemed as funds that invest primarily in the equity securities of domestic and foreign companies engaged in natural resources. These returns are net of investment fees and fund expenses, but not product charges. Investors cannot invest directly in a market index or average. For a complete list of holdings, refer to the Schedule of Investments section of this report.

Natural Resources	
Five Largest Holdings	(% of Net Assets)
Southwestern Energy Co.	3.1%
Kinross Gold Corp.	2.8%
Occidental Petroleum Corp.	2.5%
Devon Energy Corp.	2.2%
Eldorado Gold Corp.	2.2%

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.

<b>The Prudential Series Fund Portfolios</b>		<b>Beginning Account Value July 1, 2008</b>	<b>Ending Account Value December 31, 2008</b>	<b>Annualized Expense Ratio based on the Six-Month period</b>	<b>Expenses Paid During the Six-Month period</b>
Natural Resources (Class I)	Actual	\$1,000.00	\$ 389.30	0.53%	\$1.85
	Hypothetical	\$1,000.00	\$1,022.47	0.53%	\$2.69
Natural Resources (Class II)	Actual	\$1,000.00	\$ 388.60	0.93%	\$3.25
	Hypothetical	\$1,000.00	\$1,020.46	0.93%	\$4.72

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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**NATURAL RESOURCES PORTFOLIO**

**SCHEDULE OF INVESTMENTS**

**December 31, 2008**

**LONG-TERM INVESTMENTS — 99.6%**

<b>COMMON STOCKS — 99.0%</b>	<b>Shares</b>	<b>Value (Note 2)</b>
<b>All Other Basic Metals — 1.1%</b>		
Cameco Corp. (Canada) .....	466,800	\$ 7,959,611
Platmin Ltd., 144A (South Africa)(a)(f) .....	276,900	116,637
		<u>8,076,248</u>
<b>Aluminum — 0.8%</b>		
Century Aluminum Co.(a)(b) .....	581,200	5,812,000
<b>Coal — 0.5%</b>		
Patriot Coal Corp.(a)(b) .....	568,300	3,551,875
<b>Copper — 2.5%</b>		
First Quantum Minerals Ltd. (Canada) .....	259,500	3,701,738
Freeport-McMoRan Copper & Gold, Inc. (Class B)(b) .....	396,019	9,678,704
Southern Copper Corp.(b) .....	290,700	4,668,642
		<u>18,049,084</u>
<b>Diversified Exploration &amp; Production — 19.7%</b>		
Cabot Oil And Gas Corp. (Class A)(b) .....	361,700	9,404,200
Cairn Energy PLC (United Kingdom)(a) .....	398,000	11,530,344
Concho Resources, Inc.(a) .....	474,700	10,832,654
Denbury Resources, Inc.(a) .....	884,900	9,663,108
Devon Energy Corp. ....	246,100	16,171,231
EOG Resources, Inc. ....	201,900	13,442,502
Newfield Exploration Co.(a) .....	337,600	6,667,600
OGX Petroleo e Gas Participacoes SA (Brazil)(a) .....	55,913	12,611,834
Noble Energy, Inc. ....	245,000	12,058,900
Oil Search Ltd. (Papua New Guinea) ...	1,882,841	6,165,386
Pacific Rubiales Energy Corp. (Canada)(a) .....	1,691,300	3,000,362
Pioneer Natural Resources Co.(b) .....	289,000	4,676,020
St. Mary Land & Exploration Co. ....	166,500	3,381,615
Talisman Energy, Inc. ....	1,143,900	11,427,561
Woodside Petroleum Ltd. (Australia) ...	420,462	10,880,423
		<u>141,913,740</u>
<b>Diversified Metals &amp; Mining — 3.0%</b>		
African Rainbow Minerals Ltd. (South Africa) .....	545,850	6,553,742
First Uranium Corp. (South Africa)(a) ...	390,800	579,315
First Uranium Corp., 144A (South Africa)(a)(f) .....	400,000	592,953
FNX Mining Co., Inc. (Canada)(a) .....	351,100	864,596
FNX Mining Co., Inc., 144A (Canada)(a) .....	56,300	138,641
Northern Dynasty Minerals Ltd.(a)(b) ...	859,700	3,163,696
Rio Tinto PLC ADR (United Kingdom)(b) .....	43,400	3,858,694
Sterlite Industries India Ltd., ADR (India) .....	1,009,700	5,573,544
		<u>21,325,181</u>
<b>Diversified Resources — 0.3%</b>		
Edp Renovaveis SA., 144A (Spain)(a) .....	285,700	1,986,874

**COMMON STOCKS**

<b>(continued)</b>	<b>Shares</b>	<b>Value (Note 2)</b>
<b>Drillers — 2.7%</b>		
Helmerich & Payne, Inc. ....	254,500	\$ 5,789,875
Noble Corp. ....	291,600	6,441,444
Transocean Inc.(a) .....	120,503	5,693,767
Vantage Drilling Co.(a) .....	1,457,800	1,603,580
		<u>19,528,666</u>
<b>Energy Services — 11.1%</b>		
Cameron International Corp.(a)(b) .....	603,200	12,365,600
Complete Production Services, Inc.(a) ..	527,000	4,295,050
DRIL-QUIP, Inc.(a) .....	244,900	5,022,899
Exterran Holdings, Inc.(a)(b) .....	181,000	3,855,300
Halliburton Co. ....	568,100	10,328,058
Integra Group Holdings, GDR(a) .....	1,236,950	1,397,754
National-Oilwell Varco, Inc.(a) .....	475,700	11,626,108
Schlumberger Ltd. ....	317,100	13,422,843
Superior Energy Services, Inc.(a) .....	408,300	6,504,219
Tenaris SA, ADR (Luxembourg)(b) ....	525,800	11,031,284
		<u>79,849,115</u>
<b>Food — 0.6%</b>		
Agrenco Ltd., 144A (Brazil)(a) .....	1,166,700	110,066
Cosan Ltd., (Class A)(a) .....	1,274,400	4,409,424
		<u>4,519,490</u>
<b>Gold — 21.9%</b>		
AGNICO-EAGLE Mines Ltd.(b) .....	305,900	15,701,847
AXMIN, Inc. (Canada)(a) .....	4,338,700	263,590
Barrick Gold Corp.(b) .....	356,994	13,126,669
Centerra Gold, Inc. (Canada)(a) .....	597,600	2,149,327
Cia de Minas Buenaventura SA, ADR (Peru) .....	652,000	12,987,840
Eldorado Gold Corp. (Canada)(a) .....	2,048,000	16,009,073
European Goldfields Ltd. (Canada)(a) .....	2,382,600	6,253,239
Gabriel Resources Ltd. (Canada)(a) ...	1,758,800	2,165,554
Gold Reserve, Inc.(a) .....	596,000	560,240
Gold Reserve, Inc. (Canada)(a) .....	131,900	125,009
Goldcorp, Inc. ....	414,277	13,062,154
Highland Gold Mining Ltd. (United Kingdom)(a) .....	427,900	221,477
Kinross Gold Corp.(b) .....	1,089,800	20,074,115
Lihir Gold Ltd., 144A (Papua New Guinea)(a) .....	2,344,983	5,055,179
Lihir Gold Ltd., ADR (Papua New Guinea)(a)(b) .....	462,300	10,138,239
Nevsun Resources Ltd. (Canada)(a) ...	1,782,900	1,372,017
Newcrest Mining Ltd. (Australia) .....	575,799	13,705,660
Newcrest Mining Ltd., 144A (Australia) .....	127,627	3,037,887
Newmont Mining Corp. ....	391,700	15,942,190
Seabridge Gold, Inc.(a)(b) .....	97,300	1,272,684
SEMAFO, Inc. (Canada)(a) .....	1,302,800	1,266,391
SEMAFO, Inc., 144A (Canada)(a)(f) ...	3,216,300	3,126,416
		<u>157,616,797</u>

**SEE NOTES TO FINANCIAL STATEMENTS.**

**NATURAL RESOURCES PORTFOLIO (continued)**

**SCHEDULE OF INVESTMENTS**

**December 31, 2008**

**COMMON STOCKS  
(continued)**

	<u>Shares</u>	<u>Value (Note 2)</u>
<b>Integrated Oil/Domestic — 4.1%</b>		
Hess Corp. ....	208,400	\$ 11,178,576
Occidental Petroleum Corp. ....	300,500	18,026,995
		<u>29,205,571</u>
<b>Integrated Oil/International — 6.6%</b>		
BG Group PLC (United Kingdom) .....	1,060,900	14,597,232
Petroleo Brasileiro SA, ADR (Brazil) ...	428,200	10,486,618
Reliance Industries Ltd., GDR 144A (India) .....	141,400	7,155,618
Sasol Ltd., ADR (South Africa)(b) .....	493,200	14,958,756
		<u>47,198,224</u>
<b>Iron &amp; Steel — 1.3%</b>		
Cliffs Natural Resources, Inc. ....	314,700	8,059,467
MMX Mineracao e Metalicos SA (Brazil)(a) .....	1,384,000	1,643,945
		<u>9,703,412</u>
<b>Mineral Sands — 2.2%</b>		
OPTI Canada, Inc. (Canada)(a) .....	1,416,448	2,065,295
Suncor Energy, Inc. ....	640,100	12,481,950
UTS Energy Corp. (Canada)(a) .....	2,296,900	1,488,473
		<u>16,035,718</u>
<b>Natural Gas Production — 13.9%</b>		
Bill Barrett Corp.(a)(b) .....	288,300	6,091,779
BPI Energy Holdings, Inc.(a) .....	2,800,000	28,000
Equitable Resources, Inc. ....	275,100	9,229,605
Linc Energy Ltd., 144A (Australia)(a)(f) .....	2,820,000	3,965,919
Petrohawk Energy Corp.(a) .....	475,100	7,425,813
Range Resources Corp. ....	438,050	15,064,540
SandRidge Energy, Inc.(a) .....	733,400	4,510,410
Southwestern Energy Co.(a) .....	778,800	22,561,835
Trident Resources Corp.(Canada)(Private) (cost \$4,402,178; purchased 12/4/03)(a)(f)(g) .....	412,657	1,754,920
Ultra Petroleum Corp.(a) .....	299,000	10,318,490
XTO Energy, Inc. ....	450,325	15,882,963
Zodiac Exploration Corp. (Canada)(Private) (cost \$3,757,486; purchased 8/08/08)(a)(f)(g) .....	8,000,000	3,110,571
		<u>99,944,845</u>
<b>Non-Natural Resources — 1.5%</b>		
NRG Energy, Inc.(a)(b) .....	451,600	10,535,828
<b>Oil &amp; Gas Storage &amp; Transportation — 1.6%</b>		
LLX Logistica SA (Brazil)(a) .....	1,384,000	896,158
Williams Cos., Inc. ....	744,800	10,784,704
		<u>11,680,862</u>
<b>Platinum — 1.0%</b>		
Impala Platinum Holdings Ltd., ADR (South Africa) .....	494,100	7,263,270
<b>Silver — 2.6%</b>		
Hecla Mining Co.(a)(b) .....	1,506,100	4,217,080
Pan American Silver Corp. (Canada)(a) .....	130,458	2,220,269

**COMMON STOCKS  
(continued)**

	<u>Shares</u>	<u>Value (Note 2)</u>
<b>Silver (continued)</b>		
Pan American Silver Corp.(a)(b) ...	419,600	\$ 7,162,572
Silver Wheaton Corp.(a)(b) .....	738,000	4,789,620
		<u>18,389,541</u>
<b>TOTAL COMMON STOCKS</b>		
(cost \$959,386,442) .....		<u>712,186,341</u>
	<u>Principal Amount (000)#</u>	
<b>CORPORATE BOND — 0.6%</b>		
<b>Natural Gas Production — 0.6%</b>		
Trident Subordinated Unsecured Note, PIK, 7.9712%, due 8/12/12 (cost \$16,237,615; purchased 8/20/07-12/29/08) (Canada)(Private) (f)(g) .....	CAD 17,086	4,671,234
	<u>Units</u>	
<b>WARRANTS(a)</b>		
<b>Gold</b>		
Crystallex International Corp. Warrant, expiring 8/11/09 (Canada)(Private) (cost \$0; purchased 2/08/08)(f)(g) .....	221,350	1
<b>Natural Gas Production</b>		
Trident Warrant, expiring 1/01/15 (Canada)(Private) (cost \$0; purchased 8/20/07)(f)(g) .....	1,455,868	118
Zodiac Exploration Corp. Warrant, expiring 2/10/12 (Canada)(Private) (cost \$0; purchased 8/08/08)(f)(g) .....	8,000,000	—(e)
		<u>118</u>
<b>TOTAL WARRANTS</b>		
(cost \$0) .....		<u>119</u>
<b>TOTAL LONG TERM INVESTMENTS</b>		
(cost \$975,624,057) .....		<u>716,857,694</u>
	<u>Shares</u>	
<b>SHORT-TERM INVESTMENT — 10.7%</b>		
<b>Affiliated Money Market Mutual Fund</b>		
Dryden Core Investment Fund — Taxable Money Market Series (cost \$76,873,018; includes \$76,873,017 of cash collateral received for securities on loan)(Note 4)(c)(d) .....	76,873,018	76,873,018
<b>TOTAL INVESTMENTS(h) — 110.3%</b>		
(cost \$1,052,497,075) .....		<u>793,730,712</u>
<b>LIABILITIES IN EXCESS OF OTHER ASSETS — (10.3)%</b> .....		
		<u>(74,011,175)</u>
<b>NET ASSETS — 100.0%</b> .....		
		<u>\$719,719,537</u>

**SEE NOTES TO FINANCIAL STATEMENTS.**

**NATURAL RESOURCES PORTFOLIO (continued)**

**SCHEDULE OF INVESTMENTS**

**December 31, 2008**

The following abbreviations are used in portfolio descriptions:

144A	Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and may not be resold subject to that rule except to qualified institutional buyers. Unless otherwise noted, 144A securities are deemed to be liquid.
ADR	American Depositary Receipt
CAD	Canadian Dollar
GDR	Global Depositary Receipt
PIK	Payment in Kind

# Principal amount shown in U.S. Dollars unless otherwise stated.

- (a) Non-income producing security.
- (b) All or portion of security is on loan. The aggregate market value of such securities is \$75,071,460; cash collateral of \$76,873,017 (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 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) Less than \$0.50.
- (f) Indicates illiquid securities.
- (g) Indicates a security restricted to resale. The aggregate cost of such securities was \$24,397,279. The aggregate value of \$9,536,844 is approximately 1.3% of the net assets.
- (h) As of December 31, 2008, 11 securities representing \$52,347,298 and 7.3% of the net assets were fair valued in accordance with the policies adopted by the Board of Trustees.

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)

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

<u>Valuation inputs</u>	<u>Investments in Securities</u>	<u>Other Financial Instruments*</u>
Level 1—Quoted Prices	\$741,383,414	—
Level 2—Other Significant Observable Inputs	42,810,454	—
Level 3—Significant Unobservable Inputs	9,536,844	—
Total	<u>\$793,730,712</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:

	<u>Investments in Securities</u>
<b>Balance as of 12/31/07</b>	<b>\$ 33,530,418</b>
Realized gain (loss)	7,953
Change in unrealized appreciation (depreciation)	(15,601,253)
Net purchases (sales)	5,201,731
Transfers in and/or out of Level 3	(13,602,005)
<b>Balance as of 12/31/08</b>	<b>\$ 9,536,844</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:

Gold	21.9%
Diversified Exploration & Production	19.7
Natural Gas Production	14.5
Energy Services	11.1
Affiliated Money Market Mutual Fund (including 10.7% of collateral received for securities on loan)	10.7
Integrated Oil/International	6.6
Integrated Oil/Domestic	4.1
Diversified Metals & Mining	3.0
Drillers	2.7
Silver	2.6
Copper	2.5
Mineral Sands	2.2
Oil & Gas Storage & Transportation	1.6
Non-Natural Resources	1.5
Iron & Steel	1.3
All Other Basic Metals	1.1
Platinum	1.0
Aluminum	0.8
Food	0.6
Coal	0.5
Diversified Resources	0.3
	<u>110.3</u>
Liabilities in excess of other assets	<u>(10.3)</u>
	<u>100.0%</u>

**SEE NOTES TO FINANCIAL STATEMENTS.**

**NATURAL RESOURCES PORTFOLIO (continued)**

**STATEMENT OF ASSETS AND LIABILITIES**

December 31, 2008

**ASSETS**

Investments, at value, including securities on loan of \$75,071,460:	
Unaffiliated investments (cost \$975,624,057)	\$ 716,857,694
Affiliated investments (cost \$76,873,018)	76,873,018
Cash	248,784
Foreign currency, at value (cost \$60)	61
Receivable for investments sold	3,207,132
Dividends and interest receivable	713,841
Receivable for Series shares sold	197,867
Tax reclaims receivable	70,516
Prepaid expenses	24,847
<b>Total Assets</b>	<b>798,193,760</b>

**LIABILITIES**

Collateral for securities on loan	76,873,017
Loan payable	583,000
Payable for Series shares repurchased	567,529
Management fee payable	252,741
Accrued expenses and other liabilities	183,758
Distribution fee payable	8,077
Administration fee payable	4,849
Affiliated transfer agent fee payable	1,252
<b>Total Liabilities</b>	<b>78,474,223</b>

**NET ASSETS** **\$ 719,719,537**

Net assets were comprised of:	
Paid-in capital	\$ 881,483,740
Retained earnings	(161,764,203)
<b>Net assets, December 31, 2008</b>	<b>\$ 719,719,537</b>

**Class I:**

Net asset value and redemption price per share, \$677,458,263 / 28,586,203 outstanding shares of beneficial interest	\$ 23.70
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**Class II:**

Net asset value and redemption price per share, \$42,261,274 / 1,795,313 outstanding shares of beneficial interest	\$ 23.54
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**STATEMENT OF OPERATIONS**

Year Ended December 31, 2008

**INVESTMENT INCOME**

Unaffiliated dividend income (net of foreign withholding taxes of \$291,005)	\$ 10,287,404
Affiliated income from securities loaned, net	1,801,625
Interest	1,564,234
Affiliated dividend income	386,765
	<u>14,040,028</u>

**EXPENSES**

Management fee	6,505,593
Distribution fee—Class II	134,288
Administration fee—Class II	80,573
Custodian's fees and expenses	350,000
Shareholders' reports	196,000
Transfer agent's fee and expenses (including affiliated expense of \$7,000) (Note 4)	76,000
Trustees' fees	29,000
Loan interest expense (Note 8)	20,833
Audit fee	17,000
Insurance expenses	15,000
Legal fees and expenses	15,000
Interest expense	14,964
Commitment fee on syndicated credit agreement	7,000
Miscellaneous	34,944
<b>Total expenses</b>	<b>7,496,195</b>

**NET INVESTMENT INCOME** **6,543,833**

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

Net realized gain (loss) on:	
Investment transactions	113,761,782
Foreign currency transactions	(933,037)
	<u>112,828,745</u>
Net change in unrealized appreciation (depreciation) on:	
Investments	(971,071,204)
Foreign currencies	(96)
	<u>(971,071,300)</u>

**NET LOSS ON INVESTMENTS AND FOREIGN CURRENCIES** **(858,242,555)**

**NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS** **\$(851,698,722)**

**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	\$ 6,543,833	\$ 11,099,863
Net realized gain on investments and foreign currency transactions	112,828,745	192,336,330
Net change in unrealized appreciation (depreciation) on investments and foreign currencies	(971,071,300)	354,652,375
<b>NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>(851,698,722)</b>	<b>558,088,568</b>
<b>DISTRIBUTIONS:</b>		
Class I	(195,367,433)	(269,445,554)
Class II	(8,068,760)	(7,597,067)
<b>TOTAL DISTRIBUTIONS</b>	<b>(203,436,193)</b>	<b>(277,042,621)</b>
<b>SERIES SHARE TRANSACTIONS (Note 7):</b>		
Series shares sold [2,490,421 and 2,086,590 shares, respectively]	121,940,234	120,995,195
Series shares issued in reinvestment of dividends and distributions [3,456,316 and 5,163,802 shares, respectively]	203,436,193	277,042,621
Series shares repurchased [6,091,987 and 3,216,652 shares, respectively]	(268,319,139)	(171,222,869)
<b>NET INCREASE IN NET ASSETS RESULTING FROM SERIES SHARE TRANSACTIONS</b>	<b>57,057,288</b>	<b>226,814,947</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>(998,077,627)</b>	<b>507,860,894</b>
<b>NET ASSETS:</b>		
Beginning of year	1,717,797,164	1,209,936,270
End of year	<u>\$ 719,719,537</u>	<u>\$ 1,717,797,164</u>

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: Natural Resources Portfolio.

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

*Natural Resources Portfolio:* Long-term growth of capital by investing primarily in stocks of companies that operate within, or do business with, the natural resources sector of the economy.

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.

The Natural Resources Portfolio may hold up to 15% of its net assets in illiquid securities, including those which are restricted as to disposition under securities law ("restricted securities"). Restricted securities, including private placements, are valued pursuant to the valuation procedures noted above.

*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>
Natural Resources Portfolio .....	0.45%	0.45%

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

<u>Portfolio</u>	<u>Subadvisor</u>
Natural Resources 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.

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>
Natural Resources Portfolio .....		\$772,567

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>	
Natural Resources Portfolio .....		\$573,934,032

Proceeds from Sales:

	<u>Portfolio</u>	
Natural Resources Portfolio .....		\$678,582,147

**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 Natural Resources Portfolio has Class II shares outstanding.

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

**Natural Resources Portfolio:**

	<u>Class I</u>	<u>Shares</u>	<u>Amount</u>
Year ended December 31, 2008:			
Series shares sold .....		1,084,549	\$ 57,023,489
Series shares issued in reinvestment of distributions .....		3,318,624	195,367,433
Series shares repurchased .....		<u>(5,486,770)</u>	<u>(239,959,723)</u>
Net increase (decrease) in shares outstanding .....		<u>(1,083,597)</u>	<u>\$ 12,431,199</u>
Year ended December 31, 2007:			
Series shares sold .....		1,540,804	\$ 90,988,390
Series shares issued in reinvestment of distributions .....		5,021,348	269,445,554
Series shares repurchased .....		<u>(3,014,255)</u>	<u>(159,841,129)</u>
Net increase (decrease) in shares outstanding .....		<u>3,547,897</u>	<u>\$ 200,592,815</u>
<u>Class II</u>			
Year ended December 31, 2008:			
Series shares sold .....		1,405,872	\$ 64,916,745
Series shares issued in reinvestment of distributions .....		137,692	8,068,760
Series shares repurchased .....		<u>(605,217)</u>	<u>(28,359,416)</u>
Net increase (decrease) in shares outstanding .....		<u>938,347</u>	<u>\$ 44,626,089</u>
Year ended December 31, 2007:			
Series shares sold .....		545,786	\$ 30,006,805
Series shares issued in reinvestment of distributions .....		142,454	7,597,067
Series shares repurchased .....		<u>(202,397)</u>	<u>(11,381,740)</u>
Net increase (decrease) in shares outstanding .....		<u>485,843</u>	<u>\$ 26,222,132</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>
Natural Resources Portfolio .....	\$4,876,908	66	2.33%	\$583,000

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>
Natural Resources Portfolio .....	\$3,332,493	3.82%

**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

	Natural Resources Portfolio				
	Class I				
	Year Ended December 31,				
	2008(a)	2007(a)	2006(a)	2005	2004
<b>Per Share Operating Performance:</b>					
Net Asset Value, beginning of year	\$ 56.28	\$ 45.67	\$ 45.46	\$ 31.88	\$27.49
<b>Income (Loss) From Investment Operations:</b>					
Net investment income	.22	.43	.35	.33	.19
Net realized and unrealized gain (loss) on investments	(25.97)	21.09	8.65	16.27	6.28
Total from investment operations	(25.75)	21.52	9.00	16.60	6.47
<b>Less Dividends and Distributions:</b>					
Dividends from net investment income	—	—	—	—(c)	(1.00)
Distributions from net realized gains	—	—	—	(3.02)	(1.08)
Distributions	(6.83)	(10.91)	(8.79)	—	—
Total dividends and distributions	(6.83)	(10.91)	(8.79)	(3.02)	(2.08)
Net Asset Value, end of year	\$ 23.70	\$ 56.28	\$ 45.67	\$ 45.46	\$31.88
<b>Total Return(d)</b>	(53.00)%	48.30%	22.20%	55.91%	25.17%
<b>Ratios/Supplemental Data:</b>					
Net assets, end of year (in millions)	\$ 677.4	\$1,669.9	\$1,193.0	\$1,016.3	\$622.6
Ratios to average net assets(b):					
Expenses	.50%	.48%	.49%	.49%	.51%
Net investment income	.47%	.80%	.78%	.66%	.49%
Portfolio turnover rate	40%	39%	58%	59%	24%

(a) Calculated based upon average shares outstanding during the year.

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

(c) Amount is less than \$0.005 per share.

(d) 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 periods 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.

	Natural Resources Portfolio			
	Class II			
	Year Ended December 31,			April 28, 2005(c)
	2008(a)	2007(a)	2006(a)	through December 31, 2005
<b>Per Share Operating Performance:</b>				
Net Asset Value, beginning of period	\$ 55.92	\$ 45.55	\$45.32	\$30.10
<b>Income (Loss) From Investment Operations:</b>				
Net investment income	.05	.28	.18	.05
Net realized and unrealized gain (loss) on investments	(25.86)	20.92	8.64	15.17
Total from investment operations	(25.81)	21.20	8.82	15.22
<b>Less Distributions:</b>				
Distributions	(6.57)	(10.83)	(8.59)	—
Net Asset Value, end of period	\$ 23.54	\$ 55.92	\$45.55	\$45.32
<b>Total Return(d)</b>	(53.19)%	47.70%	21.72%	50.56%(f)
<b>Ratios/Supplemental Data:</b>				
Net assets, end of period (in millions)	\$ 42.3	\$ 47.9	\$ 16.9	\$ 5.1
Ratios to average net assets(b):				
Expenses	.90%	.88%	.89%	.89%(e)
Net investment income	.12%	.51%	.40%	.33%(e)
Portfolio turnover rate	40%	39%	58%	59%(f)

(a) Calculated based upon average shares outstanding during the year.

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

(c) Commencement of offering of Class II shares.

(d) Total return is calculated assuming a purchase of a share on the first day and a sale on the last day of each period 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 periods 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. Total returns for periods less than one full year are not annualized.

(e) Annualized.

(f) Not annualized.

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: Natural Resources 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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