

PRUDENTIAL PACIFIC GROWTH FUND INC  
Form N-30D  
December 26, 2001

ANNUAL REPORT  
OCTOBER 31, 2001

PRUDENTIAL  
PACIFIC GROWTH FUND, INC.

FUND TYPE  
Global stock

OBJECTIVE  
Long-term growth of capital

This report is not authorized for distribution to prospective investors unless preceded or accompanied by a current prospectus.

The views expressed in this report and information about the Fund's portfolio holdings are for the period covered by this report and are subject to change thereafter.

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(LOGO)

Prudential Pacific Growth Fund, Inc.

Performance at a Glance

INVESTMENT GOALS AND STYLE

The Prudential Pacific Growth Fund (the Fund) invests primarily in stocks of companies in the Pacific Basin, selecting a diversified portfolio aimed at long-term growth of capital. The Fund is subject to all of the risks associated with foreign investing, including currency, political and social risks, and potential illiquidity. There can be no assurance that the Fund will achieve its investment objective.

Geographic Concentration  
Expressed as a percentage of  
net assets as of 10/31/01

47.1%	Japan
20.0	Australia
15.2	Hong Kong

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9.5 Taiwan  
 4.0 Korea  
 3.9 Singapore  
 0.3 Cash & Equivalents

### Ten Largest Holdings

Expressed as a percentage of  
 net assets as of 10/31/01

3.7% National Australia Bank, Ltd.  
 Commercial Banking  
 3.2 Toyota Motor Corp.  
 Automobiles  
 2.9 Nintendo Co., Ltd.  
 Toys  
 2.7 Hang Seng Bank, Ltd.  
 Financial Services  
 2.7 Nissan Motor Co., Ltd.  
 Automobiles  
 2.4 HSBC Holdings PLC  
 Commercial Banking  
 2.0 Taiwan Semiconductor  
 Manufacturing Co., Ltd.  
 Electronic Components  
 2.0 Kookmin Bank  
 Commercial Banking  
 1.9 Ricoh Co., Ltd.  
 Office Equipment & Supplies  
 1.9 Hutchison Whampoa, Ltd.  
 Diversified Industries

Holdings are subject to change.

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Cumulative Total Returns <sup>1</sup>	As of 10/31/01		
	One Year	Five Years	Since Inception <sup>2</sup>
Class A	-29.59%	-49.06%	-16.23%
Class B	-30.72	-51.34	-22.39
Class C	-30.29	-51.04	-53.92
Class Z	-29.89	-48.62	-50.72
Lipper Pacific Region Fund Avg. <sup>3</sup>	-29.79	-31.87	***

Average Annual Total Returns <sup>1</sup>	As of 9/30/01		
	One Year	Five Years	Since Inception <sup>2</sup>
Class A	-44.31%	-14.30%	-2.77%
Class B	-45.17	-14.30	-3.00
Class C	-43.07	-14.22	-10.70
Class Z	-41.82	-13.27	-12.37

Past performance is not indicative of future results. Principal and investment return will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

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1 Source: Prudential Investments LLC and Lipper Inc. The cumulative total returns do not take into account sales charges. The average annual total returns do take into account applicable sales charges. The Fund charges a maximum front-end sales charge of 5% for Class A shares. Class B shares are subject to a declining contingent deferred sales charge (CDSC) of 5%, 4%, 3%, 2%, 1%, and 1% for six years. Approximately seven years after purchase, Class B shares will automatically convert to Class A shares on a quarterly basis. Class C shares are subject to a front-end sales charge of 1% and a CDSC of 1% for 18 months. Class Z shares are not subject to a sales charge or distribution and service (12b-1) fees. The cumulative and average annual total returns in the tables above do not reflect the deduction of taxes that a shareholder would pay on fund distributions or following the redemption of fund shares.

2 Inception dates: Class A and Class B, 7/24/92; Class C, 8/1/94; Class Z, 3/1/96.

3 The Lipper Average is unmanaged, and is based on the average return for all funds in each share class for the one-year, five-year, and since inception periods in the Lipper Pacific Region Fund category. Funds in the Lipper Pacific Region Fund Average concentrate investments in equity securities with primary trading markets or operations concentrated in the Western Pacific Basin region or a single country within this region.

\*\*\*Lipper Since Inception returns are 17.46% for Class A and Class B, -30.38% for Class C, and -32.05% for Class Z, based on all funds in each share class.

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(LOGO)

December 14, 2001

DEAR SHAREHOLDER,  
Over the 12 months ended October 31, 2001 the overall Pacific market fell 28.37% for dollar-based investors, as measured by the Morgan Stanley Capital International All Country Asia Pacific Free Gross Index (MSCI AC Asia Pacific Free Gross Index). ("Free" means that it includes only shares available for purchase by foreign investors.) The Prudential Pacific Growth Fund's Class A shares return of -29.59% (-33.11% to those paying the maximum one-

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time Class A share sales charge) was right in line with the overall market and with the -29.79% Lipper Pacific Region Fund Average, the Fund's peer group benchmark.

The Fund's performance over the full reporting period reflects underperformance during the first six months and outperformance during the second. Although one can never be certain about the causes of such a change, it coincides with when JF International Management Limited assumed day-to-day management of the Fund on May 5, 2001. Prudential selected JF International Management Limited to manage the Fund after a thorough review by our research group. For the latter six months, the Fund was in the top quartile of the 74-fund Lipper Pacific Region group. It had a more successful selection of Japanese stocks, while continuing to underweight the poor-performing Japanese market.

For more on the Fund's performance, please refer to the Investment Adviser's Report that follows.

Sincerely,

David R. Odenath, Jr., President  
Prudential Pacific Growth Fund, Inc.

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Prudential Pacific Growth Fund, Inc.

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### INVESTMENT ADVISER'S REPORT

#### A CHANGE IN ADVISERS

On March 28, 2001, shareholders approved a change in subadviser to the Fund. JF International Management Limited assumed day-to-day management on May 5, 2001. Consequently, our discussion of the Fund's performance over the full 12-month reporting period will reflect two different strategies.

#### WE KEPT OUR EXPOSURE TO JAPAN LOW

The MSCI Japan Index, representing 66% of the MSCI AC Asia Pacific Free Gross Index at the end of the Fund's reporting period, declined by 32.6% over the 12 months. Together with the impact of reduced exports to the slowing U.S. and European economies, this was a heavy drag on Pacific Region stocks over the past 12 months.

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We maintained a much smaller exposure to Japan than the MSCI AC Asia Pacific Free Gross Index over the full reporting period. That helped the Fund's return substantially because Japan's economy remained moribund. There was a brief flash of optimism when Junichiro Koizumi--a reform-minded politician who was not part of the ruling clique--was selected Prime Minister, but it decayed as the continuing strength of the conservative forces in Japan became apparent.

The benefits of low exposure to Japan were somewhat offset during the first half of the reporting period by poor returns on the Fund's selection of stocks. Particularly poor showings came from the telecommunications group. Holdings that made large individual deductions from the Fund's return included Ryohin Keikaku, NTT DoCoMo, and Askel, all of which have since been sold from the portfolio. The Fund's new management restructured its Japan holdings while keeping the aggregate exposure low. The new portfolio outperformed the MSCI Japan Index, led by positive contributions from Tonen General Sekiyu (an oil and gas refiner), Fujisawa Pharmaceutical Company, Yamanouchi Pharmaceutical, and several electric utilities, including Chubu Electric Power, Tohoku Electric Power, Tokyo

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Prudential Pacific Growth Fund, Inc.

Holdings expressed as a percentage of the Fund's net assets

Comments on Largest Holdings As of 10/31/01

-----  
3.7% National Australia Bank, Ltd./Commercial Banking  
National Australia Bank (NAB), the leading Australian bank, has well-diversified sources of revenue, including a large fund management subsidiary. Australian banks generally have benefited from central bank monetary easing and a near unprecedented eight consecutive months of trade surplus. NAB is established in Australia, New Zealand, the United Kingdom, Ireland, and the United States. In our view, this geographical diversification has improved the sustainability of its earnings.

3.2 Toyota Motor Corp./Automobiles  
Toyota Motor, the world's third largest auto manufacturer, was Japan's biggest income earner in 2000. Its sales are geographically diversified. Toyota is gaining U.S. market share because of its

consistent quality and yen weakness. The company's announced share buy-backs are aimed at preserving an orderly market while Japan's corporations unwind their complicated cross-holdings, but they also increase per-share profits. Toyota's total operating profits and sales grew through its 2000 and 2001 fiscal years.

2.9 Nintendo Co., Ltd./Toys

Nintendo is a leader in computer game consoles and software. There is strong demand for its new Gameboy Advance product, especially in Japan, and there are more products in the pipeline. Nintendo's hardware profit margins received a big boost from declining semiconductor and liquid crystal display prices. Software development margins are also improving.

2.7 Hang Seng Bank, Ltd./Financial Services

Hang Seng has one of the two strongest banking brands in Hong Kong. Low-cost deposits make up a high proportion of its total deposits, and it is a leader in the mortgage market. The bank's 5.5% dividend is particularly attractive, given the recent performance of the equity markets. Earnings have been above expectations.

2.7 Nissan Motor Co., Ltd./Automobiles

Renault installed Carlos Ghosn as president of Nissan last year, and he has convincingly turned around the previously struggling automaker while removing much of its old board. Ghosn intends to stay through 2006. Nissan has gained domestic market share, benefiting from several new models. More are in the pipeline. It has ambitious restructuring objectives, and has shown its determination to stay on track.

Holdings are subject to change.

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Electric Power, and Chugoku Electric Power. Tonen General Sekiyu was among the largest positive contributors to the Fund's return in the period's second half.

However, Japan holdings continued to predominate among the largest detractors from the Fund's return. Two of these,

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Nissan Motor and Toyota Motor (see Comments on Largest Holdings), were among the Fund's largest holdings at period-end. The Asian and Japanese auto markets are reviving, and we expect them to continue to provide at least modest volume growth over the next one to two years. During our reporting period, concern that the slowing U.S. economy and a stronger yen during the third quarter of 2001 would reduce auto demand hurt the shares of Japanese auto companies. However, auto sales remained strong, and we believe the yen will be a weak currency for some time.

Other Japan holdings included Sony, Nippon Telegraph and Telephone, Canon, and NEC. These are leading companies, most with global franchises. We expect Sony to benefit from the new generation of game players because its Playstation is by far the market leader. While Nippon T&T, a Japanese wired telephone utility, should benefit from its ownership of a large share in NTT DoCoMo, the most prominent Japanese wireless telecommunications company. Canon continues to be a top global manufacturer of consumer and office electronics products, as well as of the optical components used in medical equipment and semiconductor manufacturing.

### WE OVERWEIGHTED AUSTRALIA...

The MSCI Australia Index indicated a relatively strong market--in fact, a positive return--over the full year. Investors found Australia a defensive refuge from the political and economic uncertainties in the Pacific region. The Fund's performance was hurt in the first six months by its underweighting of Australia, but it benefited substantially from its overweighting--18% on average--in the latter half of the reporting period. Our holdings also outperformed the MSCI Australia Index in the latter half. In fact, four of the five largest positive contributors to the Fund's return were Australian

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Prudential Pacific Growth Fund, Inc.

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stocks: Westfield Holdings, CSL, Billabong International, and Westpac Banking. Bank stocks benefited from monetary easing in Australia, as elsewhere, because declining

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interest rates reduced the cost of borrowing. In addition to Westpac, Commonwealth Bank of Asia and National Australia Bank made positive contributions.

### ...AND OVERWEIGHTED TAIWAN

An overweight in Taiwan helped in the first half of the year when the MSCI Taiwan Index declined less than the MSCI AC Asia Pacific Free Gross Index. However, it hurt in the second half when the Taiwan Index was below the Region Index, and our holdings underperformed the Taiwan Index. The slowdown in the electronics industry had a very strong impact on Taiwan, particularly on our shares of United Microelectronics and Via Technologies.

### OUR KOREAN STOCKS WERE MIXED

The semiconductor surplus also had a devastating impact on the Korean firm Hynix Semiconductor. It is one of a few global giants in the industry, but is poorly financed. During most of the 12-month period, attention focused on whether the Korean government would allow Hynix to go bankrupt. We took our loss early in the period. Samsung Electronics, however, is a much stronger firm--one of the dominant semiconductor firms that is likely to prosper when the industry revives. A sign that we may not have to wait too long for this was the bottoming early in October of the Philadelphia Semiconductor Index, a widely accepted benchmark of semiconductor stocks. Samsung had a very substantial gain in the first half of the period, making it the largest positive contributor to the Fund over that time, but it retreated slightly in the second half.

### A HONG KONG STOCK PEAKED

Cheung Kong is a Hong Kong-based conglomerate that owns just under 50% of Hutchison Whampoa. Hutchison is itself a conglomerate that is an increasing global force in wireless telecommunications, as well as the world's largest container port company. Cheung Kong is also a major owner

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of Hong Kong real estate. It had a small gain in the first half. However, after we increased the Fund's position, it became the largest detractor from the Fund's return in the latter half of the reporting



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period. Investors were concerned about Hutchison's exposure to the weak telecommunications industry. We think this is a short-term concern.

### LOOKING AHEAD

We believe that the strong response of central banks around the world to the events of September 11, particularly that of the U.S. Federal Reserve, has changed the economic outlook substantially. Monetary easing and bipartisan support for fiscal stimulus initiatives have strengthened the U.S. economic outlook, which should result in greater exports from the Pacific region.

However, the domestic pictures remain clouded, particularly in Japan. Japan's financial sector continues to deteriorate despite better stock performance in 2001. Nonetheless, the weak yen and continuing corporate restructuring are forces for improvement. In addition, we seem to be entering a period of improved relations between the Bank of Japan and the Ministry of Finance.

Geographical asset allocation should be less important now than individual stock selection, although we are still impressed by the relative strength and stability of the Australian economy during this time of heightened political and economic anxiety.

Prudential Pacific Growth Fund Management Team

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Prudential Pacific Growth Fund, Inc.  
Portfolio of Investments as of October 31, 2001

Shares	Description	Value (Note 1)
<hr/>		
LONG-TERM INVESTMENTS 99.7%		
Common Stocks		
<hr/>		
Australia 20.0%		
27,500	AMP, Ltd.	\$ 250,470
100,000	Australian Gas Light Co., Ltd.	448,083
148,958	AWB, Ltd.(a)	277,355
50,000	Baycorp Holdings, Ltd.	245,991
110,000	BHP Billiton, Ltd.	495,666
117,500	Billabong International, Ltd.	469,697
20,750	Cochlear, Ltd.	528,755
38,000	Commonwealth Bank of Australia	571,406
22,000	CSL, Ltd.	558,598
107,500	Lion Nathan, Ltd.	233,793
115,000	National Australia Bank, Ltd.	1,773,937
160,000	Newcrest Mining, Ltd.	275,308

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102,500	News Corp., Ltd.	707,546
173,759	Qantas Airways, Ltd.	344,576
86,241	Qantas Airways, Ltd. Placing 2001	171,022
135,000	QBE Insurance Group, Ltd.	472,076
84,000	Santos, Ltd.	269,576
184,000	Telstra Corp., Ltd.	461,444
100,000	Westfield Holdings, Ltd.	856,453
31,500	Woodside Petroleum, Ltd.	220,064
		-----
		9,631,816
-----		
Hong Kong	15.2%	
69,000	Cheung Kong (Holdings), Ltd.	583,843
126,000	China Mobile, Ltd. (a)	382,036
213,000	CLP Holdings, Ltd.	802,842
130,000	Hang Seng Bank, Ltd.	1,304,160
700,000	Hong Kong & China Gas Co., Ltd.	874,995
232,000	Hong Kong Electric Holdings, Ltd.	880,406
200,000	Hong Kong Exchanges & Clearing, Ltd.	269,229
107,200	HSBC Holdings PLC	1,161,327
111,000	Hutchison Whampoa, Ltd.	896,534
202,500	Johnson Electric Holdings, Ltd.	176,538
		-----
		7,331,910
-----		
Japan	47.1%	
55,000	Ajinomoto Co., Inc.	595,360

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See Notes to Financial Statements

Prudential Pacific Growth Fund, Inc.  
Portfolio of Investments as of October 31, 2001 Cont'd.

Shares	Description	Value (Note 1)
55,000	Asahi Breweries, Ltd.	\$ 574,241
22,000	Canon, Inc.	639,843
14,000	Capcom Co., Ltd.	383,154
23,000	Chugai Pharmaceutical Co., Ltd.	336,155
3,500	Fast Retailing Co., Ltd.	407,459
11,000	Fuji Photo Film Co., Ltd.	363,057
328,000	Japan Energy Corp.	554,683
100	Japan Tobacco, Inc.	653,568
26,000	Kao Corp.	615,988
4,200	Kyocera Corp.	285,822
11,900	Matsushita Communication Industrial Co., Ltd.	334,431
24,000	Matsushita Electric Industrial Co., Ltd.	284,302
54,000	Mitsubishi Estate Co., Ltd.	528,067
199,000	Mitsubishi Heavy Industries, Ltd.	669,809
8,200	Murata Manufacturing Co., Ltd.	514,489
9,200	Nintendo Co., Ltd.	1,419,027
205	Nippon Telegraph & Telephone Corp.	844,083
295,000	Nissan Motor Co., Ltd.	1,301,417
11,000	Ono Pharmaceutical Co., Ltd.	350,476
27,000	Pioneer Corp.	518,361
9,400	Promise Co., Ltd.	608,210
55,000	Ricoh Co., Ltd.	916,629
5,000	Rohm Co., Ltd.	532,249
18,000	Sankyo Co., Ltd.	349,986

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46,000	Sharp Corp.	475,765
33,000	Shionogi & Co., Ltd.	590,417
21,100	Sony Corp.	798,113
27,000	Taiyo Yuden Co., Ltd.	365,279
15,000	Takeda Chemical Industries, Ltd.	726,686
9,800	Takefuji Corp.	813,431
13,000	TDK Corp.	577,754
9,300	Tokyo Electron, Ltd.	382,166
54,000	Tonen General Sekiyu K.K.	434,100
148,000	Toshiba Corp.	547,723
64,500	Toyota Motor Corp.	1,565,009
31,000	Wacoal Corp.	312,520
3,600	Yamada Denki Co., Ltd.	235,284
11,000	Yamanouchi Pharmaceutical Co., Ltd.	326,212
		-----
		22,731,325

See Notes to Financial Statements

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Prudential Pacific Growth Fund, Inc.  
Portfolio of Investments as of October 31, 2001 Cont'd.

Shares	Description	Value (Note 1)
-----		
Korea	4.0%	
37,196	Kookmin Bank	\$ 969,884
19,000	Korea Gas Corp.	245,019
12,500	Samsung Fire & Marine Insurance Co., Ltd.	390,927
14,700	SK Telecom Co., Ltd. (ADR)	309,876
		-----
		1,915,706
-----		
Singapore	3.9%	
130,000	Oversea-Chinese Banking Corp., Ltd.	748,255
200,000	Singapore Telecommunications, Ltd.	189,667
105,000	United Overseas Bank, Ltd.	587,092
72,000	Venture Manufacturing, Ltd.	380,870
		-----
		1,905,884
-----		
Taiwan	9.5%	
119,000	Ambit Microsystems Corp.	477,379
177,000	Asustek Computer, Inc.	604,953
280,000	Au Optronics Corp. (a)	127,328
40,000	CMC Magnetics Corp.	26,879
365,000	Compal Electronics, Inc.	290,731
186,000	Hon Hai Precision Industry Co., Ltd.	689,587
238,750	Quanta Computer, Inc.	511,731
140,000	Ritek Corp.	135,438
552,000	Taiwan Semiconductor Manufacturing Co., Ltd. (a)	975,294
740,000	United Microelectronics Corp. (a)	608,718
250,000	Yageo Corp. (a)	145,547
		-----
		4,593,585
-----		
	Total common stocks (cost \$52,250,788)	48,110,226
-----		
	Total Investments 99.7%	
	(cost \$52,250,788; Note 4)	48,110,226

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Other assets in excess of liabilities	0.3%	141,868
		-----
Net Assets	100%	\$ 48,252,094
		-----
		-----

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(a) Non-income producing security.  
ADR--American Depository Receipt.  
PLC--Public Limited Company.

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See Notes to Financial Statements

Prudential Pacific Growth Fund, Inc.  
Portfolio of Investments as of October 31, 2001 Cont'd.

The industry classification of portfolio holdings and other assets shown as a percentage of net assets as of October 31, 2001 was as follows:

Electronic Components.....	11.5%
Commercial Banking.....	11.1
Financial Services.....	7.6
Automobiles.....	5.9
Electrical Services.....	5.9
Medical Products & Services.....	5.6
Real Estate.....	4.1
Toys.....	3.7
Telecommunications.....	3.4
Computers.....	3.3
Electronics.....	3.3
Gas Distribution.....	3.2
Office Equipment & Supplies.....	3.2
Beverages & Tobacco.....	3.0
Oil-Refining & Marketing.....	3.0
Diversified Industries.....	2.9
Pharmaceuticals.....	2.1
Airlines.....	1.8
Insurance.....	1.7
Telephones.....	1.7
Apparel & Textiles.....	1.6
Entertainment.....	1.5
Diversified Manufacturing.....	1.4
Cosmetics/Toiletries.....	1.3
Retail.....	1.3
Food Products & Services.....	1.2
Audio/Visual.....	1.0
Photography.....	0.7
Agricultural Sector.....	0.6
Gold Mines.....	0.6
Commercial Services.....	0.5
	-----
	99.7
Other assets in excess of liabilities.....	0.3
	-----
	100.0%
	-----
	-----

See Notes to Financial Statements

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Prudential Pacific Growth Fund, Inc.  
Statement of Assets and Liabilities

October 31, 2001

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ASSETS	
Investments, at value (cost \$52,250,788)	\$ 48,110,226
Foreign currency, at value (cost \$494,543)	494,518
Receivable for investments sold	833,161
Receivable for Fund shares sold	441,245
Dividends receivable	89,235
Other assets	6,966
	-----
Total assets	49,975,351
	-----
LIABILITIES	
Payable for Fund shares reacquired	591,905
Payable to custodian	526,294
Accrued expenses	294,272
Unrealized depreciation on forward foreign currency contracts	242,632
Management fee payable	32,324
Distribution fee payable	22,445
Withholding taxes payable	13,385
	-----
Total liabilities	1,723,257
	-----
NET ASSETS	\$ 48,252,094
	-----
Net assets were comprised of:	
Shares of beneficial interest, at par	\$ 7,223
Paid-in capital in excess of par	93,526,691
	-----
Undistributed net investment income	93,533,914
Accumulated net realized loss on investments	70,201
Net unrealized depreciation on investments and foreign currencies	(40,965,453)
	-----
Net assets, October 31, 2001	(4,386,568)
	-----
	\$ 48,252,094
	-----
	-----

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See Notes to Financial Statements

Prudential Pacific Growth Fund, Inc.  
Statement of Assets and Liabilities Cont'd.

October 31, 2001

-----	
Class A:	
Net asset value and redemption price per share (\$28,615,091 / 4,192,419 shares of common stock issued and outstanding)	\$6.83

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Maximum sales charge (5% of offering price)	.36
	-----
Maximum offering price to public	\$7.19
	-----
Class B:	
Net asset value, offering price and redemption price per share (\$16,313,438 / 2,528,049 shares of common stock issued and outstanding)	\$6.45
	-----
Class C:	
Net asset value and redemption price per share (\$2,176,176 / 335,426 shares of common stock issued and outstanding)	\$6.49
Sales charge (1% of offering price)	.07
	-----
Offering price to public	\$6.56
	-----
Class Z:	
Net asset value, offering price and redemption price per share (\$1,147,389 / 167,570 shares of common stock issued and outstanding)	\$6.85
	-----

See Notes to Financial Statements 13

Prudential Pacific Growth Fund, Inc.  
Statement of Operations

Year  
Ended  
October 31, 2001

NET INVESTMENT INCOME

Income	
Dividends (net of foreign withholding taxes of \$110,585)	\$ 833,709
Interest	172,524
	-----
Total income	1,006,233
	-----
Expenses	
Management fee	516,710
Distribution fee--Class A	87,297
Distribution fee--Class B	288,342
Distribution fee--Class C	30,351
Custodian's fees and expenses	320,000
Transfer agent's fees and expenses	293,000
Reports to shareholders	280,000
Registration fees	84,000
Legal fees and expenses	60,000
Audit fee	36,000
Directors' fees and expenses	14,000
Miscellaneous	3,883
	-----
Total operating expenses	2,013,583

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Loan interest expense	8,518
	-----
Total expenses	2,022,101
	-----
Net investment loss	(1,015,868)
	-----
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS	
Net realized loss on:	
Investment transactions	(32,496,727)
Foreign currency transactions	(635,668)
	-----
	(33,132,395)
	-----
Net change in unrealized appreciation/depreciation on:	
Investments	12,931,224
Foreign currencies	(148,041)
	-----
	12,783,183
	-----
Net loss on investments and foreign currencies	(20,349,212)
	-----
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ (21,365,080)
	-----

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See Notes to Financial Statements

Prudential Pacific Growth Fund, Inc.  
Statement of Changes in Net Assets

	Year Ended October 31,	
	2001	2000
	-----	-----
INCREASE (DECREASE) IN NET ASSETS		
Operations		
Net investment loss	\$ (1,015,868)	\$ (1,986,791)
Net realized gain (loss) on investments and foreign currency transactions	(33,132,395)	21,037,797
Net change in unrealized appreciation/depreciation on investments and foreign currencies	12,783,183	(57,985,506)
	-----	-----
Net decrease in net assets resulting from operations	(21,365,080)	(38,934,500)
	-----	-----
Dividends and distributions (Note 1):		
Dividends from net investment income		
Class A	--	(553,645)
Class B	--	(653,639)
Class C	--	(36,696)
Class Z	--	(531,713)
	-----	-----
	--	(1,775,693)
	-----	-----
Distributions in excess of net investment income		

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Class A	--	(168,626)
Class B	--	(396,051)
Class C	--	(27,107)
Class Z	--	(130,489)
	-----	-----
	--	(722,273)
	-----	-----
Fund share transactions (net of share conversions) (Note 5)		
Net proceeds from shares sold	164,362,944	778,873,547
Net asset value of shares issued in reinvestment of dividends and distributions	--	2,368,241
Cost of shares reacquired	(205,697,807)	(836,348,877)
	-----	-----
Net decrease in net assets from Fund share transactions	(41,334,863)	(55,107,089)
	-----	-----
Total decrease	(62,699,943)	(96,539,555)
NET ASSETS		
Beginning of year	110,952,037	207,491,592
	-----	-----
End of year(a)	\$ 48,252,094	\$ 110,952,037
	-----	-----
	-----	-----
(a) Includes undistributed net investment income of:	\$ 70,201	\$ --
	-----	-----
	-----	-----

See Notes to Financial Statements

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Prudential Pacific Growth Fund, Inc.  
Notes to Financial Statements

Prudential Pacific Growth Fund, Inc. (the 'Fund') is registered under the Investment Company Act of 1940 as a diversified, open-end management investment company. The Fund was incorporated in Maryland on August 14, 1991 and commenced investment operations on July 24, 1992. The investment objective of the Fund is to seek long-term capital growth by investing primarily in common stocks, common stock equivalents and other securities of companies doing business in or domiciled in the Pacific Basin region.

Note 1. Accounting Policies

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

**Securities Valuation:** Securities traded on an exchange and NASDAQ National Market System are valued at the last sale price on such exchange system or, if there was no sale on such day, at the mean between the last bid and asked prices, or at the bid price in the absence of an asked price. Securities for which reliable market quotations are not readily available are valued by the Valuation Committee or Board of Directors in consultation with the manager or subadviser.

Short-term securities which mature in more than 60 days are valued at current market quotations. Short-term securities which mature in 60 days or less are valued at amortized cost.



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**Repurchase Agreements:** In connection with transactions in repurchase agreements with United States financial institutions, it is the Fund's policy that its custodian or designated subcustodians under triparty repurchase agreements, as the case may be, 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 Fund may be delayed or limited.

All securities are valued as of 4:15 p.m., New York time.

**Foreign Currency Translation:** The books and records of the 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 closing rates of exchange;

(ii) purchases and sales of investment securities, income and expenses--at the rate of exchange prevailing on the respective dates of such transactions.

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Prudential Pacific Growth Fund, Inc.  
Notes to Financial Statements Cont'd.

Although the net assets of the Fund are presented at the foreign exchange rates and market values at the close of the year, the 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 year. Similarly, the 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 year. Accordingly, realized foreign currency gains (losses) are included in the reported net realized gain on investment transactions.

Net realized gains (losses) on foreign currency transactions represent net foreign exchange gains (losses) from forward currency contracts, disposition of foreign currencies, currency gains (losses) realized between the trade and settlement dates on security transactions, and the difference between the amounts of interest, dividends and foreign taxes recorded on the Fund's books and the U.S. dollar equivalent amounts actually received or paid. Net currency gains (losses) from valuing foreign currency denominated assets and liabilities at year-end exchange rates are reflected as a component of unrealized appreciation (depreciation) on investments and foreign currencies.

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.

**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. The Fund enters into forward currency contracts in order to hedge its exposure to changes in foreign currency exchange rates on its 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

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any unrealized gain or loss is included in net unrealized appreciation or depreciation on investments. Gain (loss) is realized on the settlement date of the contract equal to the difference between the settlement value of the original and renegotiated 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.

Securities Transactions and Net Investment Income: Securities transactions are recorded on the trade date. Realized gains (losses) on sales of investments are calculated on the identified cost basis. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis. Expenses are recorded on the accrual basis which may require the use of certain estimates by management.

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Prudential Pacific Growth Fund, Inc.  
Notes to Financial Statements Cont'd.

Net investment income (loss) (other than distribution fees) 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.

Dividends and Distributions: The Fund expects to pay dividends of net investment income and distributions of net realized capital and currency gains, if any, annually. Dividends and distributions are recorded on the ex-dividend date.

Income distributions and capital gain distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles.

Taxes: It is the Fund's policy to continue to meet the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable net income and capital gains, if any, to shareholders. Therefore, no federal income tax provision is required.

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

Reclassification of Capital Accounts: The Fund accounts for and reports distributions to shareholders in accordance with the American Institute of Certified Public Accountants' Statement of Position 93-2: Determination, Disclosure, and Financial Statement Presentation of Income, Capital Gain and Return of Capital Distributions by Investment Companies. The effect of applying this statement was to decrease net investment loss by \$1,515,115, decrease paid-in capital in excess of par by \$1,530,479 and increase accumulated net realized losses by \$15,364 for differences in the treatment for book and tax purposes of certain transactions involving foreign securities, currencies, withholding taxes and net operating losses. Net investment income, net realized gains and net assets were not affected by this change.

### Note 2. Agreements

The Fund has a management agreement with Prudential Investments Fund Management LLC ('PIFM'). Pursuant to this agreement, PIFM has responsibility for all investment advisory services and supervises the subadviser's performance of such services. Jennison Associates LLC ('Jennison') provided subadvisory services in connection with the management of the Fund through May 4, 2001. Effective May 5, 2001, PIFM terminated the subadvisory agreement with Jennison and entered into a

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subadvisory agreement with Jardine Fleming International Management, Inc. ('JF'). PIFM paid for the services of Jennison and JF, the compensation of officers of the

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Prudential Pacific Growth Fund, Inc.  
Notes to Financial Statements Cont'd.

Fund, occupancy and certain clerical and bookkeeping costs of the Fund. The Fund bears all other costs and expenses.

The management fee paid to PIFM is computed daily and payable monthly at an annual rate of .75 of 1% of the average daily net assets of the Fund.

The Fund has a distribution agreement with Prudential Investment Management Services LLC ('PIMS'), which acts as the distributor of the Class A, Class B, Class C and Class Z shares of the Fund. The Fund compensates PIMS for distributing and servicing the Fund's Class A, Class B and Class C shares, pursuant to plans of distribution, (the 'Class A, Class B and Class C Plans'), regardless of expenses actually incurred by them. The distribution fees are accrued daily and payable monthly. No distribution or service fees are paid to PIMS as distributor of the Class Z shares of the Fund.

Pursuant to the Class A, B and C Plans, the Fund compensates PIMS for distribution-related activities at an annual rate of up to .30 of 1%, 1% and 1% of the average daily net assets of the Class A, B and C shares, respectively. Such expenses under the Class A, Class B and Class C Plans were .25%, 1% and 1%, respectively, of the average daily net assets of the Class A, Class B and Class C shares for the year ended October 31, 2001.

PIMS has advised the Fund that it received approximately \$25,100 and \$28,500 in front-end sales charges resulting from sales of Class A and Class C shares, respectively, during the year ended October 31, 2001. From these fees, PIMS paid such sales charges to dealers, which in turn paid commissions to salespersons and incurred other distribution costs.

PIMS has advised the Fund that for the year ended October 31, 2001, it received approximately \$81,100 and \$37,900 in contingent deferred sales charges imposed upon certain redemptions by Class B and Class C shareholders, respectively.

PIMS, PIFM and Jennison are indirect, wholly-owned subsidiaries of The Prudential Insurance Company of America ('Prudential'). Effective November 1, 2001, PIFM's name changed to Prudential Investments LLC.

### Note 3. Other Transactions With Affiliates

Prudential Mutual Fund Services LLC ('PMFS'), an affiliate of PIFM and an indirect, wholly-owned subsidiary of Prudential, serves as the Fund's transfer agent. During the year ended October 31, 2001, the Fund incurred fees of approximately \$256,400 for the services of PMFS. As of October 31, 2001, approximately \$19,700 of such fees were due to PMFS. Transfer agent fees and expenses in the statement of operations include certain out-of-pocket expenses paid to nonaffiliates.

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Prudential Pacific Growth Fund, Inc.  
Notes to Financial Statements Cont'd.

### Note 4. Portfolio Securities

Purchases and sales of investment securities, other than short-term investments,

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for the year ended October 31, 2001 were \$101,278,729 and \$124,760,622, respectively.

At October 31, 2001, the Fund had outstanding forward currency contracts, both to purchase and sell foreign currencies, as follows:

Forward Currency Contracts	Value at Settlement Date	Current Value	Appreciation (Depreciation)
-----			
Purchased:			
Japanese Yen, expiring 12/13/01	\$ 7,742,632	\$7,405,247	\$ (337,385)
Sold:			
Japanese Yen, expiring 12/13/01	7,500,000	7,405,247	94,753
			-----
			\$ (242,632)
			-----
			-----

The United States federal income tax basis of the Fund's investments at October 31, 2001 was \$52,928,456 and accordingly, net unrealized depreciation for United States federal income tax purposes was \$4,818,230 (gross unrealized appreciation--\$1,238,084; gross unrealized depreciation--\$6,056,314).

For federal income tax purposes, the Fund had a capital loss carryforward as of October 31, 2001 of approximately \$40,447,000 of which \$6,178,000 expires in 2006 and \$34,269,000 expires in 2009. Accordingly, no capital gains distribution is expected to be paid to shareholders until net gains have been realized in excess of such carryforward.

### Note 5. Capital

The Fund offers Class A, Class B, Class C and Class Z shares. Class A shares are sold with an initial sales charge of up to 5%. Class B shares are sold with a contingent deferred sales charge which declines from 5% to zero depending upon the period of time the shares are held. Class C shares are sold with a front-end sales charge of 1% and a contingent deferred sales charge of 1% during the first 18 months. Class B shares will automatically convert to Class A shares on a quarterly basis approximately seven years after purchase. A special exchange privilege is also available for shareholders who qualify to purchase Class A shares at net asset value. Class Z shares are not subject to any sales or redemption charge and are offered exclusively for sale to a limited group of investors.

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Prudential Pacific Growth Fund, Inc.  
Notes to Financial Statements Cont'd.

The Fund has authorized 2 billion shares of common stock at \$.001 par value per share divided into four classes, designated Class A, Class B, Class C and Class Z common stock each consisting of 500 million authorized shares.

Transactions in shares of common stock for the year ended October 31, 2001 and 2000 were as follows:

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Class A	Shares	Amount
-----		
Year ended October 31, 2001:		
Shares sold	11,654,875	\$ 97,997,818
Shares reacquired	(14,423,772)	(124,923,380)
-----		
Net increase (decrease) in shares outstanding before conversion	(2,768,897)	(26,925,562)
Shares issued upon conversion from Class B	1,792,668	15,404,950
-----		
Net increase (decrease) in shares outstanding	(976,229)	\$ (11,520,612)
-----		
Year ended October 31, 2000:		
Shares sold	32,808,321	\$ 431,759,479
Shares issued in reinvestment of dividends and distributions	43,973	661,353
Shares reacquired	(32,235,077)	(433,292,743)
-----		
Net increase (decrease) in shares outstanding before conversion	617,217	(871,911)
Shares issued upon conversion from Class B	1,030,547	13,967,680
-----		
Net increase (decrease) in shares outstanding	1,647,764	\$ 13,095,769
-----		
-----		
Class B		
-----		
Year ended October 31, 2001:		
Shares sold	2,543,492	\$ 20,766,403
Shares reacquired	(3,609,714)	(29,821,278)
-----		
Net increase (decrease) in shares outstanding before conversion	(1,066,222)	(9,054,875)
Shares reacquired upon conversion into Class A	(1,887,063)	(15,404,950)
-----		
Net increase (decrease) in shares outstanding	(2,953,285)	\$ (24,459,825)
-----		
Year ended October 31, 2000:		
Shares sold	4,933,017	\$ 65,826,119
Shares issued in reinvestment of dividends and distributions	68,317	993,335
Shares reacquired	(6,432,158)	(85,696,361)
-----		
Net increase (decrease) in shares outstanding before conversion	(1,430,824)	(18,876,907)
Shares reacquired upon conversion into Class A	(1,070,390)	(13,967,680)
-----		
Net increase (decrease) in shares outstanding	(2,501,214)	\$ (32,844,587)
-----		

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Prudential Pacific Growth Fund, Inc.  
Notes to Financial Statements Cont'd.

Class C Shares Amount

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-----  
Year ended October 31, 2001:

Shares sold	2,255,670	\$ 18,222,589
Shares reacquired	(2,569,425)	(21,177,108)
Net increase (decrease) in shares outstanding	(313,755)	\$ (2,954,519)

-----  
Year ended October 31, 2000:

Shares sold	4,706,959	\$ 60,275,256
Shares issued in reinvestment of dividends and distributions	3,740	54,374
Shares reacquired	(4,585,381)	(59,671,718)
Net increase (decrease) in shares outstanding	125,318	\$ 657,912

-----  
Class Z

-----  
Year ended October 31, 2001:

Shares sold	3,351,409	\$ 27,376,134
Shares reacquired	(3,570,222)	(29,776,041)
Net increase (decrease) in shares outstanding	(218,813)	\$ (2,399,907)

-----  
Year ended October 31, 2000:

Shares sold	15,766,846	\$ 221,012,693
Shares issued in reinvestment of dividends and distributions	43,538	659,179
Shares reacquired	(18,491,425)	(257,688,055)
Net increase (decrease) in shares outstanding	(2,681,041)	\$ (36,016,183)

Note 6. Borrowings

The Fund, along with other affiliated registered investment companies (the 'Funds'), entered into a syndicated credit agreement ('SCA') with an unaffiliated lender. The maximum commitment under the SCA is \$930 million. Interest on any such borrowings will be at market rates. The Funds pay a commitment fee of .080 of 1% of the unused portion of the credit facility. The commitment fee is accrued and paid quarterly on a pro rata basis by the Funds. The expiration date of the SCA is March 4, 2002. Prior to March 9, 2001, the maximum commitment was \$1 billion and the commitment fee was .080 of 1% of the unused portion of the credit facility. Effective September 14, 2001, the commitment under the SCA was increased from \$500 million to \$930 million through December 31, 2001. Effective January 1, 2002, the commitment will be reduced to \$500 million. All other terms and conditions are unchanged. The purpose of the agreement is to serve as an alternative source of funding for capital share redemptions.

The Fund utilized the line of credit during the year ended October 31, 2001. The average daily balance the Fund had outstanding during the year was approximately \$148,952 at a weighted average interest rate of approximately 5.72%.

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## Financial

### Highlights

#### Prudential Pacific Growth Fund, Inc. Financial Highlights

	Class A(a) ----- Year Ended October 31, 2001 -----
PER SHARE OPERATING PERFORMANCE:	
Net asset value, beginning of year	\$ 9.70 -----
Income from investment operations	
Net investment income (loss)	(.09)
Net realized and unrealized gain (loss) on investment and foreign currency transactions	(2.78) -----
Total from investment operations	(2.87) -----
Less distributions	
Distributions from net investment income	--
Distributions in excess of net investment income	--
Distributions from net realized gains	-- -----
Total distributions	-- -----
Net asset value, end of year	\$ 6.83 ----- -----
TOTAL RETURN(b)	(29.59)%
RATIOS/SUPPLEMENTAL DATA:	
Net assets, end of year (000)	\$ 28,615
Average net assets (000)	\$ 34,919
Ratios to average net assets:	
Total expenses(c)	2.60%
Operating expenses, including distribution and service (12b-1) fees(c)	2.58%
Operating expenses, excluding distribution and service (12b-1) fees	2.33%
Net investment income (loss)	(1.12)%
For Class A, B, C and Z shares:	
Portfolio turnover rate	158%

- 
- (a) Calculated based upon weighted average shares outstanding during the year.  
 (b) Total return does not consider the effects of sales loads. Total return is calculated assuming a purchase of shares on the first day and a sale on the last day of each year reported and includes reinvestment of dividends and distributions.

- (c) The Distributor of the Fund agreed to limit its distribution fees to .25 of 1% of the average daily net assets of the Class A shares.

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See Notes to Financial Statements

Prudential Pacific Growth Fund, Inc.  
Financial Highlights Cont'd.

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Class A(a)			
Year Ended October 31,			
2000	1999	1998	1997
\$ 14.01	\$ 9.14	\$ 12.22	\$ 15.86
(.09)	(.04)	.06	.02
(4.01)	4.99	(1.88)	(3.31)
(4.10)	4.95	(1.82)	(3.29)
(.16)	(.08)	--	--
(.05)	--	(.40)	--
--	--	(.86)	(.35)
(.21)	(.08)	(1.26)	(.35)
\$ 9.70	\$ 14.01	\$ 9.14	\$ 12.22
(29.82)%	55.11%	(15.53)%	(21.32)%
\$ 50,141	\$ 49,338	\$ 22,624	\$ 35,860
\$ 53,389	\$ 31,281	\$ 26,845	\$ 73,942
1.60%	1.72%	1.70%	1.48%
1.57%	1.72%	1.70%	1.42%
1.32%	1.47%	1.45%	1.17%
(.70)%	(.34)%	.63%	.14%
93%	104%	94%	81%

See Notes to Financial Statements

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Prudential Pacific Growth Fund, Inc.  
Financial Highlights Cont'd.

Class B(a)	
Year Ended October 31, 2001	
PER SHARE OPERATING PERFORMANCE:	
Net asset value, beginning of year	\$ 9.30
Income from investment operations	
Net investment loss	(.15)
Net realized and unrealized gain (loss) on investment and foreign currency transactions	(2.70)
Total from investment operations	(2.85)
Less distributions	
Distributions from net investment income	--
Distributions in excess of net investment income	--
Distributions from net realized gains	--



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Total distributions	--
Net asset value, end of year	\$ 6.45
TOTAL RETURN(b)	(30.72)%
RATIOS/SUPPLEMENTAL DATA:	
Net assets, end of year (000)	\$ 16,314
Average net assets (000)	\$ 28,834
Ratios to average net assets:	
Total expenses	3.35%
Operating expenses, including distribution and service (12b-1) fees	3.33%
Operating expenses, excluding distribution and service (12b-1) fees	2.33%
Net investment loss	(1.90)%

- (a) Calculated based upon weighted average shares outstanding during the year.  
(b) Total return does not consider the effects of sales loads. Total return is calculated assuming a purchase of shares on the first day and a sale on the last day of each year reported and includes reinvestment of dividends and distributions.

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See Notes to Financial Statements

Prudential Pacific Growth Fund, Inc.  
Financial Highlights Cont'd.

Class B(a)

Year Ended October 31,			
2000	1999	1998	1997
\$ 13.50	\$ 8.79	\$ 11.77	\$ 15.40
(.19)	(.12)	(.01)	(.09)
(3.87)	4.84	(1.82)	(3.19)
(4.06)	4.72	(1.83)	(3.28)
(.09)	(.01)	--	--
(.05)	--	(.29)	--
--	--	(.86)	(.35)
(.14)	(.01)	(1.15)	(.35)
\$ 9.30	\$ 13.50	\$ 8.79	\$ 11.77
(30.40)%	54.28%	(16.32)%	(21.84)%
\$ 51,004	\$107,769	\$ 74,457	\$128,694
\$ 96,019	\$ 85,193	\$ 91,983	\$244,462
2.35%	2.47%	2.45%	2.23%
2.32%	2.47%	2.45%	2.17%
1.32%	1.47%	1.45%	1.17%
(1.43)%	(1.09)%	(.12)%	(.61)%

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See Notes to Financial Statements

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Prudential Pacific Growth Fund, Inc.  
Financial Highlights Cont'd.

	Class C(a)
	-----
	Year Ended
	October 31, 2001
-----	
PER SHARE OPERATING PERFORMANCE:	
Net asset value, beginning of year	\$ 9.30
	-----
Income from investment operations	
Net investment loss	(.15)
Net realized and unrealized gain (loss) on investment and foreign currency transactions	(2.66)
	-----
Total from investment operations	(2.81)
	-----
Less distributions	
Distributions from net investment income	--
Distributions in excess of net investment income	--
Distributions from net realized gains	--
	-----
Total distributions	--
	-----
Net asset value, end of year	\$ 6.49
	-----
	-----
TOTAL RETURN(b)	(30.29)%
RATIOS/SUPPLEMENTAL DATA:	
Net assets, end of year (000)	\$2,176
Average net assets (000)	\$3,035
Ratios to average net assets:	
Total expenses	3.35%
Operating expenses, including distribution and service (12b-1) fees	3.33%
Operating expenses, excluding distribution and service (12b-1) fees	2.33%
Net investment loss	(1.90)%

- 
- (a) Calculated based upon weighted average shares outstanding during the year.  
 (b) Total return does not consider the effects of sales loads. Total return is calculated assuming a purchase of shares on the first day and a sale on the last day of each year reported and includes reinvestment of dividends and distributions.

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See Notes to Financial Statements

Prudential Pacific Growth Fund, Inc.  
Financial Highlights Cont'd.

Class C(a)

-----  
Year Ended October 31,

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2000	1999	1998	1997
\$13.50	\$ 8.79	\$11.77	\$15.40
(.19)	(.12)	(.01)	(.09)
(3.87)	4.84	(1.82)	(3.19)
(4.06)	4.72	(1.83)	(3.28)
(.09)	(.01)	--	--
(.05)	--	(.29)	--
--	--	(.86)	(.35)
(.14)	(.01)	(1.15)	(.35)
\$ 9.30	\$13.50	\$ 8.79	\$11.77
(30.40)%	54.28%	(16.32)%	(21.84)%
\$6,040	\$7,073	\$1,654	\$2,932
\$7,376	\$3,103	\$2,276	\$6,557
2.35%	2.47%	2.45%	2.23%
2.32%	2.47%	2.45%	2.17%
1.32%	1.47%	1.45%	1.17%
(1.42)%	(1.09)%	(.12)%	(.61)%

See Notes to Financial Statements

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Prudential Pacific Growth Fund, Inc.  
Financial Highlights Cont'd.

Class Z(a)  
Year Ended  
October 31, 2001

PER SHARE OPERATING PERFORMANCE:	
Net asset value, beginning of year	\$ 9.75
Income from investment operations	
Net investment income (loss)	(.07)
Net realized and unrealized gain (loss) on investment and foreign currency transactions	(2.83)
Total from investment operations	(2.90)
Less distributions	
Distributions from net investment income	--
Distributions in excess of net investment income	--
Distributions from net realized gains	--
Total distributions	--
Net asset value, end of year	\$ 6.85

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TOTAL RETURN(b)	(29.89)%
RATIOS/SUPPLEMENTAL DATA:	
Net assets, end of year (000)	\$ 1,147
Average net assets (000)	\$ 2,107
Ratios to average net assets:	
Total expenses	2.35%
Operating expenses	2.33%
Net investment income (loss)	(.86)%

- 
- (a) Calculated based upon weighted average shares outstanding during the period.  
(b) Total return does not consider the effects of sales loads. Total return is calculated assuming a purchase of shares on the first day and a sale on the last day of each year reported and includes reinvestment of dividends and distributions.

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See Notes to Financial Statements

Prudential Pacific Growth Fund, Inc.  
Financial Highlights Cont'd.

Class Z(a)

-----			
Year Ended October 31,			
-----	-----	-----	-----
2000	1999	1998	1997
-----	-----	-----	-----
\$ 14.12	\$ 9.17	\$ 12.28	\$ 15.89
-----	-----	-----	-----
(.06)	--	.08	.06
(4.08)	5.06	(1.89)	(3.32)
-----	-----	-----	-----
(4.14)	5.06	(1.81)	(3.26)
-----	-----	-----	-----
(.18)	(.11)	--	--
(.05)	--	(.44)	--
--	--	(.86)	(.35)
-----	-----	-----	-----
(.23)	(.11)	(1.30)	(.35)
-----	-----	-----	-----
\$ 9.75	\$ 14.12	\$ 9.17	\$ 12.28
-----	-----	-----	-----
(29.75)%	56.05%	(15.36)%	(21.02)%
\$ 3,767	\$ 43,311	\$ 12,429	\$ 19,520
\$ 33,479	\$ 22,811	\$ 15,099	\$ 31,945
1.35%	1.47%	1.45%	1.23%
1.32%	1.47%	1.45%	1.17%
(.40)%	(.03)%	.82%	.39%

See Notes to Financial Statements

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Prudential Pacific Growth Fund, Inc.  
Report of Independent Accountants

To the Shareholders and Board of Directors of  
Prudential Pacific Growth Fund, Inc.

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In our opinion, the accompanying statement of assets and liabilities, including the portfolio of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Prudential Pacific Growth Fund, Inc. (the 'Fund') at October 31, 2001, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as 'financial statements') are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at October 31, 2001 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP  
New York, New York  
December 18, 2001

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Prudential Pacific Growth Fund, Inc.

Getting the Most from Your Prudential Mutual Fund

When you invest through Prudential Mutual Funds, you receive financial advice from a Prudential Securities Financial Advisor or Pruco Securities registered representative. Your financial professional can provide you with the following services:

THERE'S NO REWARD WITHOUT RISK; BUT IS THIS RISK WORTH IT?

Your financial professional can help you match the reward you seek with the risk you can tolerate. Risk can be difficult to gauge--sometimes even the simplest investments bear surprising risks. The educated investor knows that markets seldom move in just one direction. There are times when a market sector or asset class will lose value or provide little in the way of total return. Managing your own expectations is easier with help from someone who understands the markets, and who knows you!

KEEPING UP WITH THE JONESES

A financial professional can help you wade through the numerous available mutual funds to find the ones that fit your individual investment profile and risk tolerance. While the newspapers and popular

magazines are full of advice about investing, they are aimed at generic groups of people or representative individuals--not at you personally. Your financial professional will review your investment objectives with you. This means you can make financial decisions based on the assets and liabilities in your current portfolio and your risk tolerance--not just based on the current investment fad.

BUY LOW, SELL HIGH

Buying at the top of a market cycle and selling at the bottom are among the most common investor mistakes. But sometimes it's difficult to hold on to an investment when it's losing value every month. Your financial professional can answer questions when you're confused or worried about your investment, and should remind you that you're investing for the long haul.

Prudential Pacific Growth Fund, Inc.

Prudential Mutual Funds

Prudential offers a broad range of mutual funds designed to meet your individual needs. For information about these funds, contact your financial professional or call us at (800) 225-1852. Read the prospectus carefully before you invest or send money.

PRUDENTIAL MUTUAL FUNDS

-----  
Stock Funds

Large Capitalization Stock Funds  
Prudential 20/20 Focus Fund  
Prudential Equity Fund, Inc.  
Prudential Index Series Fund  
    Prudential Stock Index Fund  
Prudential Tax-Managed Funds  
    Prudential Tax-Managed Equity Fund  
Prudential Value Fund  
The Prudential Investment Portfolios, Inc.  
    Prudential Jennison Growth Fund

Small- to Mid-Capitalization Stock Funds

Nicholas-Applegate Fund, Inc.  
    Nicholas-Applegate Growth Equity Fund  
Prudential Small Company Fund, Inc.  
Prudential Tax-Managed Small-Cap Fund, Inc.  
Prudential U.S. Emerging Growth Fund, Inc.  
The Prudential Investment Portfolios, Inc.  
    Prudential Jennison Equity Opportunity Fund

Sector Stock Funds

Prudential Natural Resources Fund, Inc.  
Prudential Real Estate Securities Fund  
Prudential Sector Funds, Inc.

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Prudential Financial Services Fund  
Prudential Health Sciences Fund  
Prudential Technology Fund  
Prudential Utility Fund

Global/International Stock Funds  
Prudential Europe Growth Fund, Inc.  
Prudential Pacific Growth Fund, Inc.  
Prudential World Fund, Inc.  
    Prudential Global Growth Fund  
    Prudential International Value Fund  
    Prudential Jennison International Growth Fund

Balanced/Allocation Fund  
The Prudential Investment Portfolios, Inc.  
    Prudential Active Balanced Fund

Bond Funds  
Taxable Bond Funds  
Prudential Government Income Fund, Inc.  
Prudential High Yield Fund, Inc.  
Prudential High Yield Total Return Fund, Inc.  
Prudential Short-Term Corporate Bond Fund, Inc.  
    Income Portfolio  
Prudential Total Return Bond Fund, Inc.

Municipal Bond Funds  
Prudential California Municipal Fund  
    California Series  
    California Income Series  
Prudential Municipal Bond Fund  
    High Income Series  
    Insured Series

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Prudential Municipal Series Fund  
    Florida Series  
    New Jersey Series  
    New York Series  
    Pennsylvania Series  
Prudential National Municipals Fund, Inc.

Global/International Bond Fund  
Prudential Global Total Return Fund, Inc.

Money Market Funds  
Taxable Money Market Funds  
Cash Accumulation Trust  
    Liquid Assets Fund  
    National Money Market Fund  
Prudential Government Securities Trust  
    Money Market Series  
    U.S. Treasury Money Market Series  
Prudential Institutional Liquidity Portfolio, Inc.  
    Institutional Money Market Series  
Prudential MoneyMart Assets, Inc.

Municipal Money Market Funds

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Prudential California Municipal Fund  
California Money Market Series  
Prudential Municipal Series Fund  
New Jersey Money Market Series  
New York Money Market Series

Tax-Free Money Market Funds  
Command Tax-Free Fund  
Prudential Tax-Free Money Fund, Inc.

Other Money Market Funds  
Command Government Fund  
Command Money Fund  
Special Money Market Fund, Inc.\*  
Money Market Series

STRATEGIC PARTNERS  
MUTUAL FUNDS\*\*

Strategic Partners Asset Allocation Funds  
Strategic Partners Conservative Growth Fund  
Strategic Partners Moderate Growth Fund  
Strategic Partners High Growth Fund

Strategic Partners Style Specific Funds  
Strategic Partners  
Large Capitalization Growth Fund  
Strategic Partners  
Large Capitalization Value Fund  
Strategic Partners  
Small Capitalization Growth Fund  
Strategic Partners  
Small Capitalization Value Fund  
Strategic Partners  
International Equity Fund  
Strategic Partners  
Total Return Bond Fund

Strategic Partners Opportunity Funds  
Strategic Partners Focused Growth Fund  
Strategic Partners New Era Growth Fund  
Strategic Partners Focused Value Fund

Special Money Market Fund, Inc.\*  
Money Market Series

\* This Fund is not a direct purchase money fund and is only an exchangeable money fund.

\*\*Not exchangeable with the Prudential mutual funds.

Prudential Pacific Growth Fund, Inc.

Getting the Most from Your Prudential Mutual Fund

Some mutual fund shareholders won't ever read this--they don't read annual and semiannual reports. It's quite understandable. These annual and semiannual reports are prepared to comply



with federal regulations, and are often written in language that is difficult to understand. So when most people run into those particularly daunting sections of these reports, they don't read them.

WE THINK THAT'S A MISTAKE

At Prudential, we've made some changes to our mutual funds report to make it easier to understand and more pleasant to read. We hope you'll find it profitable to spend a few minutes familiarizing yourself with your investment. Here's what you'll find in the report:

PERFORMANCE AT A GLANCE

Since an investment's performance is often a shareholder's primary concern, we present performance information in two different formats. You'll find it first on the "Performance at a Glance" page where we compare the Fund and the comparable average calculated by Lipper, Inc., a nationally recognized mutual fund rating agency. We report both the cumulative total returns and the average annual total returns. The cumulative total return is the total amount of income and appreciation the Fund has achieved in various time periods. The average annual total return is an annualized representation of the Fund's performance. It gives you an idea of how much the Fund has earned in an average year for a given time period. Under the performance box, you'll see legends that explain the performance information, whether fees and sales charges have been included in the returns, and the inception dates for the Fund's share classes.

See the performance comparison charts at the back of the report for more performance information. Please keep in mind that past performance is not indicative of future results.

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INVESTMENT ADVISER'S REPORT

The portfolio manager, who invests your money for you, reports on successful-- and not-so-successful--strategies in this section of your report. Look for recent purchases and sales here, as well as information about the sectors the portfolio manager favors, and any changes that are on the drawing board.

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### PORTFOLIO OF INVESTMENTS

This is where the report begins to appear technical, but it's really just a listing of each security held at the end of the reporting period, along with valuations and other information. Please note that sometimes we discuss a security in the "Investment Adviser's Report" section that doesn't appear in this listing, because it was sold before the close of the reporting period.

### STATEMENT OF ASSETS AND LIABILITIES

The balance sheet shows the assets (the value of the Fund's holdings), liabilities (how much the Fund owes), and net assets (the Fund's equity or holdings after the Fund pays its debts) as of the end of the reporting period. It also shows how we calculate the net asset value per share for each class of shares. The net asset value is reduced by payment of your dividend, capital gain, or other distribution--but remember that the money or new shares are being paid or issued to you. The net asset value fluctuates daily, along with the value of every security in the portfolio.

### STATEMENT OF OPERATIONS

This is the income statement, which details income (mostly interest and dividends earned) and expenses (including what you pay us to manage your money). You'll also see capital gains here--both realized and unrealized.

Prudential Pacific Growth Fund, Inc.

Getting the Most from Your Prudential Mutual Fund

### STATEMENT OF CHANGES IN NET ASSETS

This schedule shows how income and expenses translate into changes in net assets. The Fund is required to pay out the bulk of its income to shareholders every year, and this statement shows you how we do it (through dividends and distributions) and how that affects the net assets. This statement also shows how money from investors flowed into and out of the Fund.

### NOTES TO FINANCIAL STATEMENTS

This is the kind of technical material that can intimidate readers, but it does contain useful information. The notes provide a brief history and explanation of your Fund's objectives. In addition, they outline how Prudential mutual funds price securities. The notes also explain who

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manages and distributes the Fund's shares and, more important, how much they are paid for doing so. Finally, the notes explain how many shares are outstanding and the number issued and redeemed over the period.

### FINANCIAL HIGHLIGHTS

This information contains many elements from prior pages, but on a per-share basis. It is designed to help you understand how the Fund performed, and to compare this year's performance and expenses to those of prior years.

### INDEPENDENT ACCOUNTANT'S REPORT

Once a year, an independent accountant looks over our books and certifies that the financial statements are fairly presented in accordance with generally accepted accounting principles.

### TAX INFORMATION

This is information that we report annually about how much of your total return is taxable. Should you have any questions, you may want to consult a tax adviser.

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### PERFORMANCE COMPARISON

These charts are included in the annual report and are required by the Securities Exchange Commission. Performance is presented here as the return on a hypothetical \$10,000 investment in the Fund since its inception or for 10 years (whichever is shorter). To help you put that return in context, we are required to include the performance of an unmanaged, broad-based securities index as well. The index does not reflect the cost of buying the securities it contains or the cost of managing a mutual fund. Of course, the index holdings do not mirror those of the Fund--the index is a broad-based reference point commonly used by investors to measure how well they are doing. A definition of the selected index is also provided. Investors cannot invest directly in an index.

Prudential Pacific Growth Fund, Inc.

Class A Growth of a \$10,000 Investment

(GRAPH)

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Average Annual Total Returns as of 10/31/01

	One Year	Five Years	Since Inception
With Sales Charge	-33.11%	-13.51%	-2.43%
Without Sales Charge	-29.59%	-12.62%	-1.89%

Past performance is not indicative of future results. Principal and investment return will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The best- and worst-year information within the graph is designed to give you an idea of how much the Fund's returns can fluctuate from year to year by measuring the best and worst calendar years in terms of total annual return since inception of the share class. The graph compares a \$10,000 investment in the Prudential Pacific Growth Fund, Inc. (Class A shares) with a similar investment in the Morgan Stanley Capital International All Country Asia Pacific Index (MSCI AC Asia Pacific Index) and the Morgan Stanley Capital International All Country Asia Pacific Free Gross Index (MSCI AC Asia Pacific Free Gross Index) by portraying the initial account values at the commencement of operations of Class A shares (July 24, 1992) and the account values at the end of the current fiscal year (October 31, 2001), as measured on a quarterly basis. For purposes of the graph, and unless otherwise indicated, it has been assumed that (a) the maximum applicable front-end sales charge was deducted from the initial \$10,000 investment in Class A shares; (b) all recurring fees (including management fees) were deducted; and (c) all dividends and distributions were reinvested. The average annual total returns in the table and the returns on investment in the graph do not reflect the deduction of taxes that a shareholder would pay on fund distributions or following the redemption of fund shares.

Investors cannot invest directly in an index.

This graph is furnished to you in accordance with Securities and Exchange Commission (SEC) regulations.

See the page following these charts for an explanation of the indexes.

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Class B Growth of a \$10,000 Investment

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(GRAPH)

Average Annual Total Returns as of 10/31/01	One Year	Five Years	Since Inception
With Sales Charge	-34.18%	-13.57%	-2.70%
Without Sales Charge	-30.72%	-13.42%	-2.70%

Past performance is not indicative of future results. Principal and investment return will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The best- and worst-year information within the graph is designed to give you an idea of how much the Fund's returns can fluctuate from year to year by measuring the best and worst calendar years in terms of total annual return since inception of the share class. The graph compares a \$10,000 investment in the Prudential Pacific Growth Fund, Inc. (Class B shares) with a similar investment in the Morgan Stanley Capital International All Country Asia Pacific Index (MSCI AC Asia Pacific Index) and the Morgan Stanley Capital International All Country Asia Pacific Free Gross Index (MSCI AC Asia Pacific Free Gross Index) by portraying the initial account values at the commencement of operations of Class B shares (July 24, 1992) and the account values at the end of the current fiscal year (October 31, 2001), as measured on a quarterly basis. For purposes of the graph, and unless otherwise indicated, it has been assumed that (a) the maximum applicable contingent deferred sales charge was deducted from the value of the investment in Class B shares, assuming full redemption on October 31, 2001; (b) all recurring fees (including management fees) were deducted; and (c) all dividends and distributions were reinvested. Approximately seven years after purchase, Class B shares will automatically convert to Class A shares on a quarterly basis. The average annual total returns in the table and the returns on investment in the graph do not reflect the deduction of taxes that a shareholder would pay on fund distributions or following the redemption of fund shares.

Investors cannot invest directly in an index.

This graph is furnished to you in accordance with Securities and Exchange Commission (SEC) regulations.

See the page following these charts for an explanation of the indexes.

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Prudential Pacific Growth Fund, Inc.

Class C Growth of a \$10,000 Investment

(GRAPH)

Average Annual Total Returns as of 10/31/01

	One Year	Five Years	Since Inception
With Sales Charge	-31.68%	-13.48%	-10.26%
Without Sales Charge	-30.29%	-13.31%	-10.13%

Past performance is not indicative of future results. Principal and investment return will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The best- and worst-year information within the graph is designed to give you an idea of how much the Fund's returns can fluctuate from year to year by measuring the best and worst calendar years in terms of total annual return since inception of the share class. The graph compares a \$10,000 investment in the Prudential Pacific Growth Fund, Inc. (Class C shares) with a similar investment in the Morgan Stanley Capital International All Country Asia Pacific Index (MSCI AC Asia Pacific Index) and the Morgan Stanley Capital International All Country Asia Pacific Free Gross Index (MSCI AC Asia Pacific Free Gross Index) by portraying the initial account values at the commencement of operations of Class C shares (August 1, 1994) and the account values at the end of the current fiscal year (October 31, 2001), as measured on a quarterly basis. For purposes of the graph, and unless otherwise indicated, it has been assumed that (a) the applicable front-end sales charge was deducted from the initial \$10,000 investment in Class C shares; (b) the applicable contingent deferred sales charge was deducted from the value of the investment in Class C shares, assuming full redemption on October 31, 2001; (c) all recurring fees (including management fees) were deducted; and (d) all dividends and distributions were reinvested. The average annual total returns in the table and the returns on investment in the graph do not reflect the deduction of taxes that a shareholder would pay on fund distributions or following the redemption of fund shares.

Investors cannot invest directly in an index.

This graph is furnished to you in accordance with Securities and Exchange

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Commission (SEC) regulations.

See the page following these charts for an explanation of the indexes.

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Class Z Growth of a \$10,000 Investment

(GRAPH)

Average Annual Total Returns as of 10/31/01

One Year	Five Years	Since Inception
-29.89%	-12.47%	-11.73%

Past performance is not indicative of future results. Principal and investment return will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The best- and worst-year information within the graph is designed to give you an idea of how much the Fund's returns can fluctuate from year to year by measuring the best and worst calendar years in terms of total annual return since inception of the share class. The graph compares a \$10,000 investment in the Prudential Pacific Growth Fund, Inc. (Class Z shares) with a similar investment in the Morgan Stanley Capital International All Country Asia Pacific Index (MSCI AC Asia Pacific Index) and the Morgan Stanley Capital International All Country Asia Pacific Free Gross Index (MSCI AC Asia Pacific Free Gross Index) by portraying the initial account values at the commencement of operations of Class Z shares (March 1, 1996) and the account values at the end of the current fiscal year (October 31, 2001), as measured on a quarterly basis. For purposes of the graph, and unless otherwise indicated, it has been assumed that (a) all recurring fees (including management fees) were deducted, and (b) all dividends and distributions were reinvested. Class Z shares are not subject to a sales charge or distribution and service (12b-1) fees. The average annual total returns in the table and the returns on investment in the graph do not reflect the deduction of taxes that a shareholder would pay on fund distributions or following the redemption of fund shares.

Investors cannot invest directly in an index.

This graph is furnished to you in

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accordance with Securities and Exchange Commission (SEC) regulations.

See the page following these charts for an explanation of the indexes.

Prudential Pacific Growth Fund, Inc.

Growth of a \$10,000 Investment Additional Footnotes

Explanation of the MSCI Indexes portrayed in the Growth of a \$10,000 Investment graphs for Classes A, B, C, and Z.

The MSCI AC Asia Pacific Index was the Fund's benchmark until the close of October 31, 2001. MSCI discontinued selected regional composite indexes that included emerging market country indexes constructed from the viewpoint of the domestic investor. Our former benchmark now has a corresponding index, the MSCI AC Asia Pacific Free Gross Index, that will continue to be the Fund's benchmark from October 31, 2001 forward. Per MSCI, the decision to discontinue the selected regional Emerging Market and All Country Indexes was motivated by a lack of client interest, as well as the transition of the MSCI Standard Equity Index Series to the MSCI Enhanced Methodology.

The Fund's benchmark going forward, the MSCI AC Asia Pacific Free Gross Index, is a weighted, unmanaged index comprising approximately 950 securities listed on the stock exchanges of Australia, Hong Kong, Japan, Malaysia, Singapore, Indonesia, Sri Lanka, China (free), Pakistan, Taiwan, India, Korea, the Philippines, and Thailand. The MSCI AC Asia Pacific Free Gross Index portrayed in our graphs in the preceding pages for Classes A, B, C, and Z includes the reinvestment of dividends, is gross of foreign withholding taxes, and does not include the effect of sales charges or operating expenses of a mutual fund. The securities that comprise the MSCI AC Asia Pacific Free Gross Index may differ substantially from the securities in the Fund. The MSCI AC Asia Pacific Free Gross Index is not the only one that may be used to characterize performance of international stock funds. Other indexes may portray different comparative performance.



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FOR MORE INFORMATION  
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Visit Prudential's website at:  
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### DIRECTORS

Delayne Dedrick Gold  
Robert F. Gunia  
Robert E. La Blanc  
David R. Odenath, Jr.  
Judy A. Rice  
Robin B. Smith  
Stephen Stoneburn  
Nancy H. Teeters  
Clay T. Whitehead

### OFFICERS

David R. Odenath, Jr., President  
Robert F. Gunia, Vice President  
Judy A. Rice, Vice President  
Grace C. Torres, Treasurer  
Jonathan D. Shain, Secretary  
William V. Healey, Assistant Secretary

### MANAGER

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Gateway Center Three  
100 Mulberry Street  
Newark, NJ 07102-4077

### INVESTMENT ADVISER

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### DISTRIBUTOR

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North Quincy, MA 02171

### TRANSFER AGENT

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Philadelphia, PA 19101

### INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers LLP  
1177 Avenue of the Americas

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New York, NY 10036

LEGAL COUNSEL  
Sullivan & Cromwell  
125 Broad Street  
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Fund Symbols	Nasdaq	CUSIP
Class A	PRPAX	743941106
Class B	PRPBX	743941205
Class C	PRPCX	743941304
Class Z	PPGZX	743941403

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