

All data as at 31 December 2011 unless otherwise stated

Investment Objective

The investment objective of the PRU Asian Balanced Fund is to maximise total return in the medium to long term by investing in a portfolio comprising of equities of companies in the Asian ex-Japan region, and quality corporate bonds and other fixed income securities issued in the United States market.

Fund Details

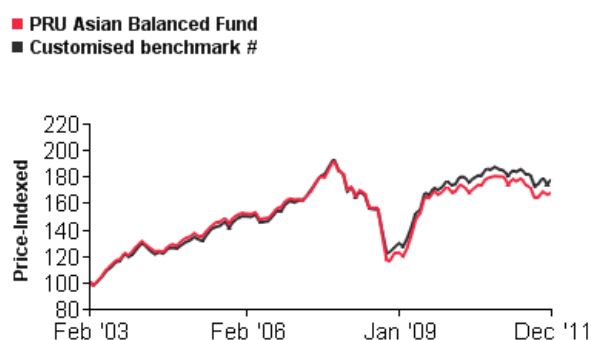
Launch Date	13 January 2003	Benchmark	Customised benchmark #
Initial Sales Charge	Max 3%	Underlying Fund Size	IOF - Asian Equity - USD 604.9 M, IOF - US High Investment Grade Bond - USD 266.4 M, IOF - US Investment Grade Bond - USD 473.3 M
Min. Initial Investment	SGD 1,000 ⁺	Subscription Method	CPFIS-OA, CPFIS-SA
Min. Subsequent Investment	SGD 100	Fund Size	SGD 788.6 M
Annual Management Fee	0.5% [^]	Fund Currency	SGD
Manager	Prudential Asset Management (Singapore) Limited	CPFIS Risk Classification	Medium to High Risk-Narrowly Focused (Regional - Asia)
Sub-Manager of Underlying Fund(s)	PPM America, Inc		

Performance

Period	1 month	3 months	1 year	3 years *	5 years *	Since Inception *
Offer-Bid	-2.4%	-1.2%	-9.7%	10.0%	-0.3%	5.5%
Bid-Bid	0.6%	1.8%	-6.9%	11.1%	0.5%	6.0%
Benchmark	2.5%	2.2%	-3.8%	12.0%	2.0%	6.7%

Source: Prudential Asset Management (Singapore) Limited and Bloomberg. S\$; net income reinvested; *Annualised; Refer to footnote **.

Performance Chart



Source: Prudential Asset Management (Singapore) Limited and Bloomberg. S\$; bid-to-bid; net income reinvested. Inception date: 24 Feb 03.

Top 10 holdings

SAMSUNG ELECTRONICS	2.3%
CNOOC	1.4%
BANK OF CHINA	1.3%
BNYMELLON LIQUIDITY B FUND	1.3%
TAIWAN SEMICONDUCTOR MANUFACTURING	1.3%
CHINA CONSTRUCTION BANK	1.3%
HYUNDAI ENGINEERING & CONSTRUCTION	1.1%
SEMBCORP INDUSTRIES	1.0%
DBS GROUP HOLDINGS LTD	1.0%
BANGKOK BANK	1.0%

The data reflect the Fund's positions held at the Underlying Funds' level.

⁺Subject to distributor's terms and conditions.

[^] Fee excludes management fee of 1.0% p.a., 0.5% p.a. and 0.5% p.a. charged at the underlying Luxembourg-domiciled International Opportunities Funds – Asian Equity (IOF - Asian Equity), International Opportunities Funds – US High Investment Grade Bond (IOF - US High Investment Grade Bond) and International Opportunities Funds – US Investment Grade Bond (IOF - US Investment Grade Bond) respectively.

^{**}Offer-bid includes 3% Initial Sales Charge w.e.f. 01 Jul 07 and 4% Initial Sales Charge prior to 01 Jul 07.

#50% MSCI AC Asia ex Japan Index 30% The BofA Merrill Lynch U.S. Corporates, A2 Rated and above Index (formerly known as Merrill Lynch US Corporates A-AAA rated (adjusted for A-credits)) 20% The BofA Merrill Lynch U.S. Corporates, BBB3-A3 Rated Index (formerly known as Merrill Lynch US Corporates BBB-A rated).

Effective 14 February 2012, PRU Asian Balanced Fund shall be renamed as "Eastspring Investments Unit Trust – Asian Balanced Fund". On or around 14 February 2012, Prudential Asset Management (Singapore) Limited shall be renamed as "Eastspring Investments (Singapore) Limited".

Asset Allocation



- IOF - Asian Equity 42.0%
- IOF - US High Investment Grade Bond 33.3%
- IOF - US Investment Grade Bond 23.5%
- Cash And Other Net Assets 1.2%

Country



- U.S.A 42.1%
- China 12.1%
- Korea 9.2%
- Taiwan (Republic Of China) 5.8%
- India 4.4%
- Hong Kong 3.7%
- Singapore 2.4%
- Canada 2.4%
- United Kingdom 2.3%
- Others 15.6%

Sector



- Industrials 33.5%
- Financials 32.7%
- Information Technology 8.6%
- Utilities 3.9%
- Materials 3.0%
- Energy 3.0%
- Asset Backed 2.8%
- Telecommunication Services 2.5%
- Consumer Discretionary 2.4%
- Others 7.6%

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Market Overview

Global equities were volatile in December but they managed to end 2011 on a firm note, with most markets rallying in the last week of the year. Downward momentum in global growth has shown signs of abating and ECB's LTRO(Long Term refinancing Operation) programme has eased European bank funding pressures, reducing the risks of a chaotic debt unwinding in the near term. Thus, we believe some of the extreme downside risks have been priced in Asian Equities in the near term, therefore justifying a reduction in Asian Equities underweight.

However, given the Europe's sovereign debt overhang, fiscal tightening in developed economies and worries of cyclical overinvestment in China, the risk of a global downturn remains in 2012. In such a scenario, Asian Equities at current valuation levels are unlikely to outperform US Credit, until the former trades at extremely cheap levels.

US Corporates' balance sheets have improved from the previous recession and corporates have been able to maintain healthy profit margins, thus they may be able to weather a possible cyclical downturn better than previous recession. Furthermore, a slower global growth outlook and lower inflation expectations mean that bond yields are likely to stay low.

As a result, while we reduced the overweight in US Credit, the fund remains overall overweight US Credit, funded out of Asian equities.

Important Information

The underlying fund(s) may use derivative instruments for efficient portfolio management and hedging purposes.

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