

All data as at 31 May 2010 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

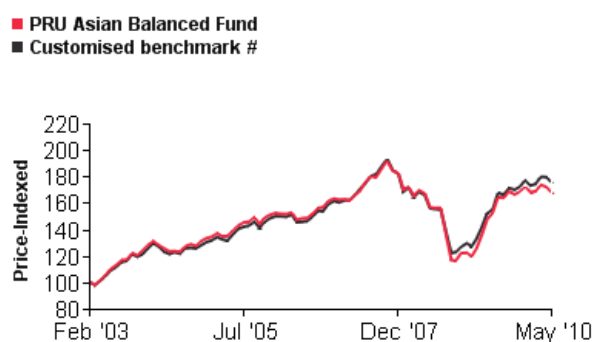
Launch Date	13 January 2003	Benchmark	Customised benchmark #
Initial Sales Charge	Max 3%	Underlying Fund Size	IOF - Asian Equity - USD 790.9 M, IOF - US High Investment Grade Bond - USD 219.8 M, IOF - US Investment Grade Bond - USD 395.6 M
Min. Initial Investment	SGD 1,000 ⁺	Subscription Method	CPFIS-OA, CPFIS-SA
Min. Subsequent Investment	SGD 100	Fund Size	SGD 769.2 M
Annual Management Fee	0.5% [^]	Fund Currency	SGD
Fund 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	-5.4%	-3.5%	10.0%	-1.6%	2.9%	6.8%
Bid-Bid	-2.5%	-0.6%	13.4%	-0.3%	3.8%	7.4%
Benchmark	-2.3%	0.7%	14.8%	0.9%	5.2%	8.0%

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.

⁺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).

Please note that the minor revisions in the benchmark name of the sub-fund purports to align its name with the benchmark name of other sub-funds; or as it is mentioned in other offer documents, and there is no effective change in the benchmark itself.

Top 10 holdings

SAMSUNG ELECTRONICS	2.0%
BANK OF CHINA	1.9%
HON HAI PRECISION INDUSTRY	1.5%
CHINA UNICOM (HONG KONG)	1.4%
TAIWAN SEMICONDUCTOR MANUFACTURING	1.4%
HUTCHISON WHAMPOA	1.4%
BANGKOK BANK	1.3%
SAMSUNG FIRE & MARINE INSURANCE	1.3%
SHINSEGAE	1.2%
HENDERSON LAND DEVELOPMENT	1.2%

Asset Allocation



- IOF - Asian Equity 52.0%
- IOF - US High Investment Grade Bond 28.9%
- IOF - US Investment Grade Bond 19.0%
- Cash And Other Net Assets 0.1%

Country



- U.S.A 37.4%
- China 14.6%
- Korea 10.0%
- Taiwan (Republic Of China) 7.3%
- India 6.8%
- Hong Kong 4.5%
- Singapore 2.3%
- Indonesia 2.2%
- United Kingdom 1.9%
- Others 13.0%

Sector



- Financials 39.3%
- Industrials 23.8%
- Information Technology 10.6%
- Materials 4.2%
- Utilities 4.1%
- Telecommunication Services 3.6%
- Energy 3.0%
- Asset Backed 2.5%
- Consumer Discretionary 2.2%
- Others 6.7%

Above data refers to country allocation data of the Underlying Funds

Above data refers to the sector allocation data of the Underlying Funds

Market Overview

Asian equity markets outside Japan declined across the board in May as investors worried about sovereign debt risk among Europe's peripheral economies and possible trouble among Spanish banks. Sentiment was hurt also by a clampdown on lending in China and the sinking of a South Korean warship by North Korea.

Treasuries rallied strongly during May, as the markets were inundated with bad news including continued European sovereign debt woes and one of the worst oil spills in history. Concerns about these news items overshadowed generally favorable US corporate earnings and economic indicators.

The Fund dropped 2.5% (bid-to-bid basis) in Singapore dollar terms for the month compared to its benchmark's loss of 2.3%. Asset allocation had a negative impact on the performance as Asian equity markets were down while US credits return were positive in Singapore dollar terms. Security selection was negative due to Asian equity sub-fund underperformed its benchmark in May while US credit sub-funds were flat to slightly negative.

The sell-off in equity markets in May has pushed valuations to attractive levels thanks to ongoing positive economic and earnings news. At the same time, the positive view is tempered by caution on the earnings outlook and investor risk appetite once growth momentum starts to fade. Credit spreads continue to offer good value relative to government bonds. However, the fund manager believes that Asian equities can provide better returns compared to US credit in the near term and therefore, overweight equities out of credit.

Important Information

Please note that the securities mentioned above are included for illustration purposes only. It should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in the portfolio of the Fund at the time you receive this material or that securities sold have not been repurchased. The securities discussed do not represent the fund's entire portfolio and in the aggregate may represent only a small percentage of the fund's portfolio holdings

A prospectus in relation to the Fund is available and a copy of the prospectus may be obtained from the Manager and its distribution partners. Investors should read the prospectus before deciding whether to subscribe for or purchase units in the Fund. The value of units in the Fund and the income accruing to the units, if any, may fall or rise. Past performance of the Fund is not necessarily indicative of the future performance of the Fund. The prediction, projection or forecast on the economy, securities markets or the economic trends of the markets targeted by the Fund are not necessarily indicative of the future or likely performance of the Fund. An investment in the Fund is subject to investment risks, including the possible loss of the principal amount invested. Investments in unit trusts are not deposits or other obligations of, or guaranteed or insured by Prudential Asset Management (Singapore) Limited ("PAMS") (Company Reg No. 199407631H) or any of its related corporations. Investors may wish to seek advice from a financial adviser before making a commitment to invest in units of the Fund. In the event an investor chooses not to seek advice from a financial adviser, the investor should consider whether the Fund is suitable for him. Whilst the Manager has taken all reasonable care to ensure that the information contained in this document is not untrue or misleading at the time of publication, the Manager cannot guarantee its accuracy or completeness. Investors should not act on it without first independently verifying its contents. Any opinion or estimate contained in this document is subject to change without notice. PAMS and its related affiliated corporations together with their respective directors and officers may have or may take positions in the securities mentioned in this documentation and may also perform or seek to perform broking and other investment services for the corporations whose securities are mentioned in this documentation as well as other parties. PAMS and Prudential plc are not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America. As at end March 2010, the Investment Manager had approximately S\$ 61.44 billion of assets under management, of which approximately S\$ 46.94 billion were discretionary funds managed in Singapore.