

# PRU Income X

January 2012

All data as at 31 December 2011 unless otherwise stated

## Investment Objective

The investment objective of the PRU Income X is to seek to provide investors with (i) regular income payouts; (ii) capital growth; and (iii) optimum risk-adjusted total return, by investing in cash, cash-equivalent, high quality bonds and other fixed income securities rated BBB- (BBB Minus) and above by Standard and Poor's (or other equivalent ratings ) and entering into derivative transactions linking to indices which employ pre-defined multi-currency interest rate arbitrage strategies.

## Fund Details

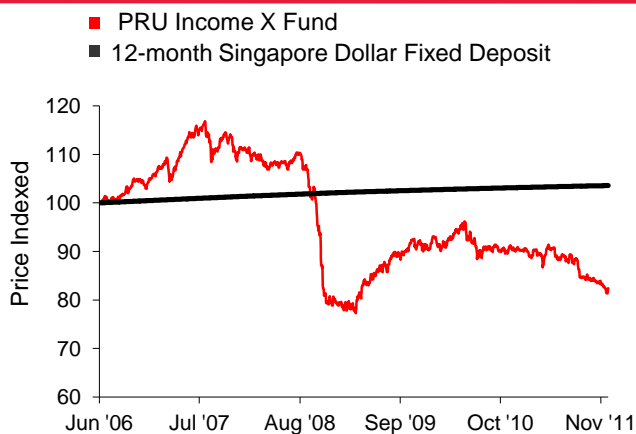
Launch Date	25 April 2006	Manager	Prudential Asset Management (Singapore) Limited
Initial Sales Charge	5%	Benchmark	12-month Singapore Dollar Fixed Deposit (can be accessed from the MAS website)
Min. Initial Investment	SGD 1,000+	Subscription Method	Cash, SRS Account
Min. Subsequent Investment	SGD 100	Fund Size	SGD 91.0M
Annual Management Fee	1.5%	Fund Currency	SGD

## Performance

Period	1 month	3 months	1 year	3 years*	5 years*	Since Inception*
Offer-Bid	-6.2%	-8.4%	-14.1%	-0.7%	-6.1%	-4.5%
Bid-Bid	-1.3%	-3.5%	-9.6%	1.0%	-5.1%	-3.6%
Benchmark	0.0%	0.1%	0.4%	0.5%	0.6%	0.6%

Source: Prudential Asset Management (Singapore) Limited. S\$; net income reinvested; Offer-bid includes 5% Initial Sales Charge. Performance and benchmark values are rounded off to 1 decimal place. \*Annualised

## Performance Chart



Source: Prudential Asset Management (Singapore) Limited. S\$; bid-to-bid; net income reinvested. Inception Date : 1 Jun 06

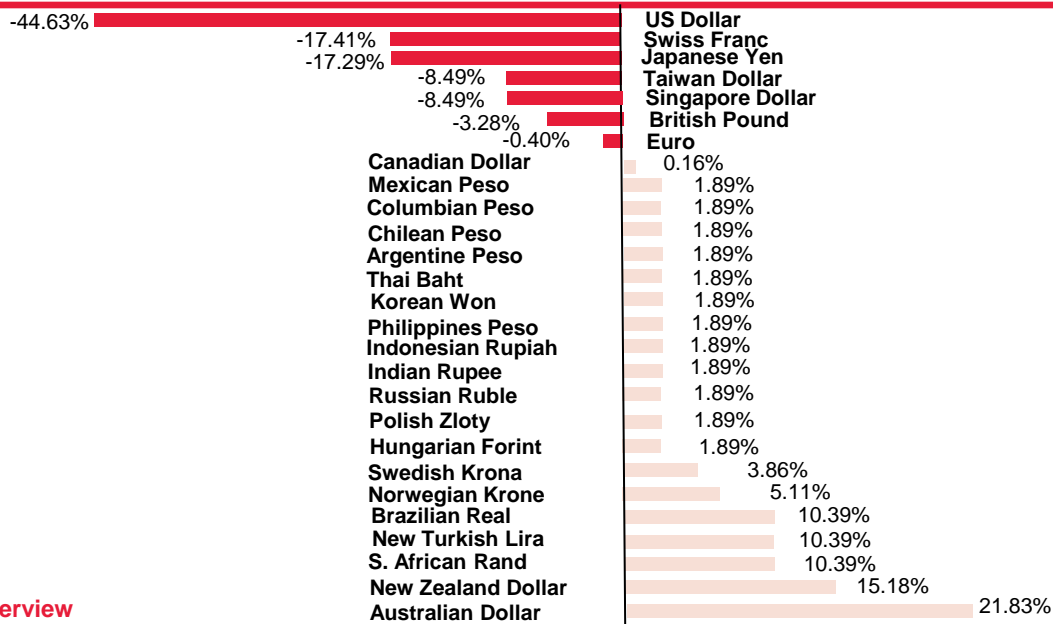
## Top 10 Holdings

CITIGROUP INC EMTN 4.98% 20/06/2013	8.5%
MAS BILLS SER 28 0% 13/01/2012	8.3%
CAPITALMALLS ASIA TREASURY BILL 1% 21/01/2012	8.2%
GENERAL ELECTRIC CAP CORP GMTN (BR) 3.485% 08/03/2012	5.5%
NATIONAL AGRICULTURAL CO SER EMTN 1.1% 05/07/2012	5.5%
BANK OF CHINA / HONG KONG SER FXCD 1.55% 23/11/2012	5.5%
EXPORT-IMPORT BANK OF KOREA EMTN (BR) 1.45% 24/10/2012	5.5%
MAS BILLS SER 28 0% 20/01/2012	5.5%
SINGAPORE (GOVT OF) T-BILLS SER 91 16/02/2012	5.5%
KOREA DEVELOPMENT BANK EMTN 1.62% 13/10/2012	5.5%

+ Subject to distributor's terms and conditions.

Effective 14 February 2012, PRU Income X Fund shall be renamed as "Eastspring Investments Income X Fund". On or around 14 February 2012, Prudential Asset Management (Singapore) Limited shall be renamed as "Eastspring Investments (Singapore) Limited".

**Currency exposure – net short & long position**



**Market Overview**

The risk off sentiment dominated the market landscape as persistence of Eurozone fiscal crisis kept the market participants on the edge in the absence of any implementable solution. On the positive side, data releases from the US improved over the month, thus alleviating some concerns about a double dip recession in the US. Given the cautious investor sentiment, “safe-haven” currencies, like the USD and JPY were well supported against high-yielding currencies, resulting in negative returns in carry strategies in general.

Over the month, the Deutsche Bank Currency Harvest Balanced index declined. The index was made up of long positions in TRY, BRL, NOK, HUF and AUD against short positions in TWD, SGD, USD, CHF and JPY. Within the G10 currency basket, the US dollar largely appreciated over December. Losses in the high-yielding NOK and AUD outweighed losses in low yielding CHF, thus resulting in negative return for G10 carry. Within the emerging market currency basket, carry also registered negative returns over the past month as the high-yielding currencies: HUF, BRL and TRY depreciated and surpassed the losses in low yielding SGD. Additionally, UBS EMACS index and Barclays Dynamic Long/Short GEMS Total Return index also registered declines during the month. However, the Merrill Lynch FX Arbitrage Index (10% Volatility Target) posted a modest positive return during the month. Over the month, there were no significant changes to the portfolio positioning.

**Important Information**

**The Fund may use derivative instruments for efficient portfolio management and hedging purposes.**

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