



## > PRU Asian Balanced Fund (CASH)

### Fund Objective & Strategy

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.

<b>Launch Date</b>	13 January 2003
<b>Initial Sales Charge</b>	Max 4%
<b>Min. Initial Investment</b>	SGD 1,000*
<b>Min. Subsequent Investment</b>	SGD 100
<b>Annual Management Fee</b>	0.5%^
<b>Fund Manager</b>	Prudential Asset Management (Singapore) Limited
<b>Sub-Manager of Underlying Fund(s)</b>	Prudential Asset Management (Hong Kong) Limited, PPM America, Inc
<b>Benchmark</b>	50% MSCI AC FE ex-Japan Index; 30% ML US Corp A-AAA Rated; 20% ML US Corp BBB-A Rated
<b>Underlying Fund Size</b>	International Opportunities Funds - Asian Equity - USD 844.9 M, International Opportunities Funds - US High Investment Grade Bond - USD 201.8 M, International Opportunities Funds - US Investment Grade Bond - USD 154.1 M
<b>Subscription Method</b>	Cash, SRS Account
<b>Fund Size</b>	SGD 776.0 M
<b>Fund Currency</b>	SGD
<b>CPFIS Risk Classification</b>	Medium to High Risk-Narrowly Focused (Regional - Asia)

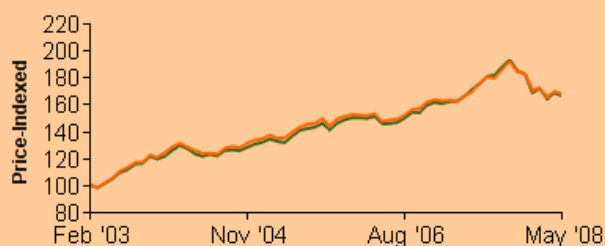
### Performance

Performance	Offer-Bid	Bid-Bid	Benchmark
3 months	-6.3%	-2.5%	-3.1%
6 months	-12.5%	-9.0%	-10.0%
1 year	-4.8%	-1.0%	-2.2%
3 years *	5.0%	6.3%	6.9%
5 years *	8.9%	9.7%	9.7%
Since Inception *	9.5%	10.3%	10.1%

Source: Prudential Asset Management (Singapore) Limited and Bloomberg. S\$; net income reinvested; Offer-bid includes 4% Initial Sales Charge. \*Annualised

### Performance Chart

■ PRU Asian Balanced Fund  
■ 50% MSCI AC FE ex-Japan Index; 30% ML US Corp A-AAA Rated; 20% ML US Corp BBB-A Rated



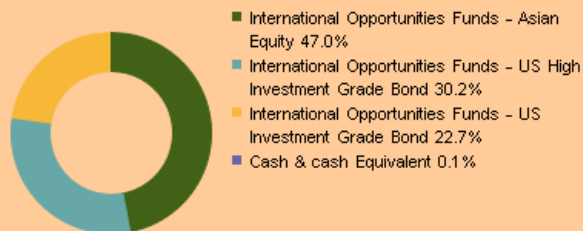
Source: Prudential Asset Management (Singapore) Limited and Bloomberg. S\$; bid-to-bid; net income reinvested. Inception date: 24 Feb 03

### Top 10 holdings

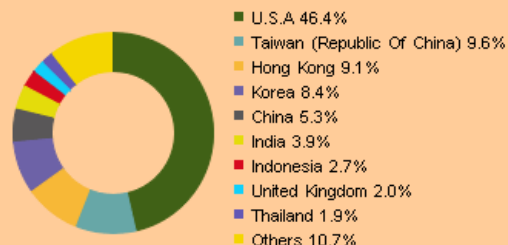
HON HAI PRECISION INDUSTRY	1.8%
CHINA MOBILE LTD/HK	1.7%
SAMSUNG ELECTRONICS	1.5%
TAIWAN CEMENT	1.4%
BANK OF CHINA	1.3%
WHARF HOLDINGS	1.2%
ADVANCED SEMICONDUCTOR ENGINEERIN	1.1%
FAR EASTERN TEXTILE	1.1%
CHINA NETWORK GROUP CORPORATION H	1.1%
CHINATRUST FINANCIAL HOLDING	1.1%

\*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.

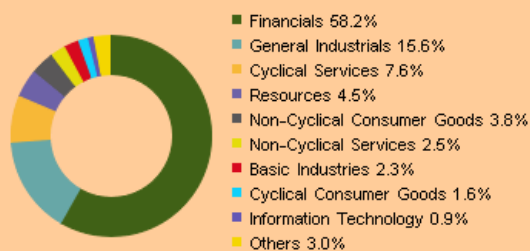
## Asset Allocation



## Country



## Sector



## Market Overview

Ex-Japan Asian stock markets declined modestly in May 08 following a noteworthy April rise, pressured by concerns that rising energy and raw material costs will stoke inflation and throttle economic growth. The markets were also restrained by rekindled sub-prime crisis concerns as certain banks continued to book additional major losses. Only Singapore and Indonesia made gains. China led the region lower as the Bank of China continued to tighten monetary policy to counter rising inflation. The biggest stock in the China index, China Mobile, suffered after the government announced a restructuring of the telecom industry. Both Taiwan and Malaysia retreated on political concerns. Singapore moved higher

on the strength of commodity-related and offshore oil rig stocks; whilst Indonesia was led by commodity-related, energy and paper stocks. US Treasuries bond yields rose significantly in May, particularly in short dated bonds, on speculation of a tighter monetary policy as inflation concerns intensified. Spreads narrowed as investors' increased appetite for risk increased, lower-rated credit outperformed.

The Fund lost 1.0% compared to the 1.2% decline in its benchmark. Asset allocation was neutral, but stock selection was positive, with the Asian equity sub-fund being the main contributor. During the month, the Fund maintained its preference for U.S. investment grade bonds, funded out of its underweight in Asian equities. U.S. investment grade bonds offer attractive spreads and seem to be pricing in excessively pessimistic economic conditions, so we remain overweight in this asset class.

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 Mar 2008, the Investment Manager had approximately S\$ 62.20 billion of assets under management, of which approximately S\$ 32.78 billion are discretionary funds managed in Singapore.