



## > PRU Dragon Peacock Fund (CPF)

### Fund Objective & Strategy

The investment objective of the PRU Dragon Peacock Fund is to maximize long-term total return by investing primarily in equity and equity-related instruments of corporations, which are incorporated in, or listed in, or operating principally from, or carrying on significant business in, or derive substantial revenue from, or whose subsidiaries, related or associated corporations derive substantial revenue from, the People's Republic of China (PRC) and the Republic of India (India).

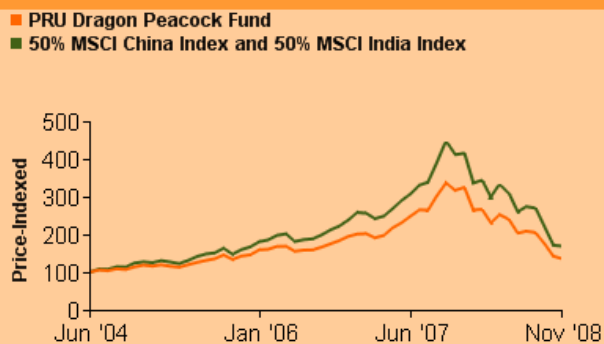
<b>Launch Date</b>	18 May 2004
<b>Initial Sales Charge</b>	Max 3%
<b>Min. Initial Investment</b>	SGD 1,000*
<b>Min. Subsequent Investment</b>	SGD 100
<b>Annual Management Fee</b>	1.5%
<b>Fund Manager</b>	Prudential Asset Management (Singapore) Limited
<b>Sub-Manager of (China portfolio only)</b>	Prudential Asset Management (Hong Kong) Limited
<b>Benchmark</b>	50% MSCI China Index and 50% MSCI India Index
<b>Subscription Method</b>	CPFIS-OA
<b>Fund Size</b>	SGD 621.0 M
<b>Fund Currency</b>	SGD
<b>CPFIS Risk Classification</b>	Higher Risk - Narrowly Focused (Country - Others)

### Performance

Performance	Offer-Bid	Bid-Bid	Benchmark
1 month	-7.6%	-4.8%	-1.4%
3 months	-35.8%	-33.9%	-37.4%
6 months	-45.3%	-43.6%	-45.4%
1 year	-58.5%	-57.2%	-58.9%
3 years *	-3.3%	-1.6%	1.9%
Since Inception *	5.9%	7.1%	12.5%

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

### Performance Chart



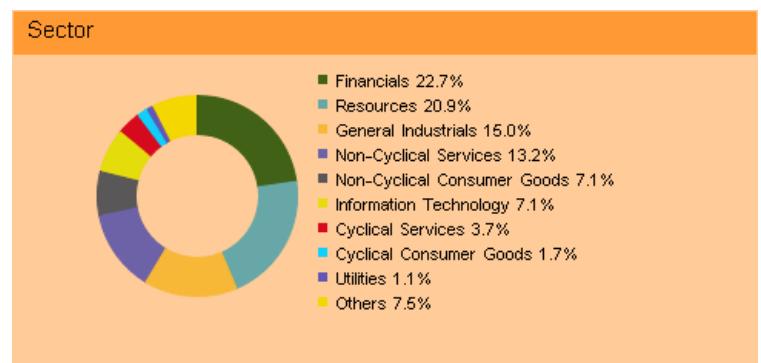
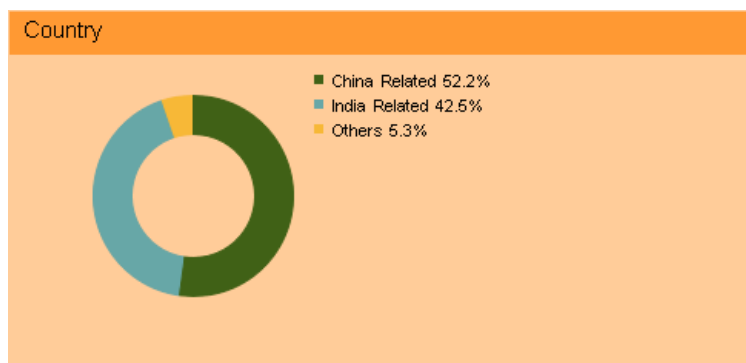
Source: Prudential Asset Management (Singapore) Limited and Bloomberg. S\$; bid-to-bid; net income reinvested. Inception date: 18 Jun 04

### Top 10 holdings

CHINA UNICOM (HONG KONG) ORD HKD0.1	5.7%
CHINA MOBILE LTD ORD HKD0.1	5.6%
RELIANCE INDUSTRIES LTD ORD INR10 (DMT)	5.3%
INDUSTRIAL AND COMMERCIAL BANK OF CHINA H SHS ORD CNY1	5.1%
INFOSYS TECHNOLOGIES LTD ORD INR5 (DMT)	4.6%
BANK OF CHINA LTD SHS H ORD CNY1	4.5%
BYD CO LTD H SHRS ORD CNY1	4.3%
HDFC BANK LTD ORD INR10 (DMT)	4.2%
CHINA PETROLEUM & CHEMICAL CORP H SHRS HKD1	4.1%
HOUSING DEVELOPMENT FINANCE CORP LTD (HDFC) ORD INR10 (DMT)	3.9%

\* Subject to distributor's terms and conditions.

\*\* Offer-bid includes 3% Initial Sales Charge w.e.f. 01 Jul 07 and 5% Initial Sales Charge prior to 01 Jul 07.



## Market Overview

The MSCI India fell 10.7%<sup>1</sup> in US dollar terms in November as investor confidence remained weak. Sentiment declined further following the terrorist attacks in Mumbai. Meanwhile, the MSCI China Index gained 22.0%<sup>1</sup> in US dollar terms. The Fund dropped 4.8% in SGD terms, underperformed its benchmark returns which declined 1.4%.

Bank of China advanced as investors recognized attractive valuation despite its vulnerability to a global economic slowdown. Travelsky Technology had a strong rebound in November with sentiment turning positive as traffic growth recovery is anticipated. Overweight ITC Ltd., whose principal business is to manufacture cigarettes and tobacco, had a strong performance. One of the leading detractors from performance was Gome Electrical Appliances. Shares came under pressure at the end of the month when it became clear that Chairman Wong was being investigated regarding a financial matter unrelated to Gome. AAC Acoustic was also a laggard due to order cuts. Focus Media also declined as sentiment regarding ad spend dampened due to limited forward visibility and the weak seasonality of online advertising.

We exited Crompton Greaves, a machinery and engineering company, as the European recession and slowing consumer demand is likely to pressure margins as credit costs increase. Suzlon Energy was also exited due to immediate challenges facing alternative energy solutions. We also sold Bank of Baroda due to declining interest income as advances come under pressure with declining demand from the corporate sector where the bank's loan book is heavily concentrated. A new position was initiated in Bharat Petroleum. Attractive valuation along with capacity growth and moderating earnings volatility make it an appropriate addition to the Fund.

<sup>1</sup> MSCI Barra, as at November 2008

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.

Please note that the Luxembourg-domiciled International Opportunities Funds has established a similar sub-fund within the umbrella fund of International Opportunities Funds having the same investment objective and focus as the PRU Dragon Peacock Fund (the "IOF sub-fund"). In the event that the IOF sub-fund be approved by the Authority as a recognised scheme available for direct investment by the retail public in Singapore, the Manager may, in consultation with the Trustee, and subject to the approval of the relevant authorities, (i) seek to terminate the PRU Dragon Peacock Fund and exchange existing Units in the PRU Dragon Peacock Fund for shares in the IOF sub-fund; or (ii) change the investment policy of the PRU Dragon Peacock Fund from a direct investment portfolio to a feeder fund investing all or substantially all of its assets into the IOF sub-fund. Investors should note that in the event of an exchange Units for shares in the IOF sub-fund, there is no assurance that the fees and charges of the IOF sub-fund would not be higher than that of the PRU Dragon Peacock Fund. Investors should not invest in the PRU Dragon Peacock Fund in anticipation of investing in the IOF sub-fund as there is no certainty whether the IOF sub-fund may be recognised for offer to the retail public in Singapore.

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 September 2008, the Investment Manager had approximately S\$ 55.76 billion of assets under management, of which approximately S\$ 42.65 billion are discretionary funds managed in Singapore.