

Multiple Awards for Prudential

The **PRU Global Technology Fund** has come out tops as Winner of the **Sector – TMT Global (3 year) Category** at the Standard & Poor's (S&P) 2006 Fund Awards. The annual awards recognise funds that have demonstrated the strongest performance when compared to other funds with similar objectives over the time periods reviewed.

In addition to the Fund award, **Prudential Unit Trusts Singapore** has also received merit award for the **Most Improved Retail Fund House in Singapore for 2005**, in terms of assets raised - in a competition run by Asia Asset Management¹ magazine. This competition included the region's top fund houses.

These recent accolades reflect Prudential's innovative product range and respectable track record of steady performances.

Strength in consistent performance

The PRU Global Technology Fund returned 20.78% in the last three years, ending 31 December 2005, outperforming its peer group and its FTSE World IT benchmark index which rose 16.07% over the same period². The aim of the fund is to invest in companies around the world that develop and deploy intellectual property in innovative products, processes or services. The fund's holdings focus on companies whose provision or use of technology provides strategic advantage in their markets.

Particular emphasis is placed on investment in companies seeking to build intellectual property through research and development (R&D). This emphasis stems from the fund manager Aled Smith's firm belief that corporate investment in R&D activity is often poorly understood. In particular, many investors appear to treat R&D simply as an expense, rather than seeking to analyse its potential to deliver major, positive change for companies.

The fund is very much driven by individual stock selection, and Aled is excited by the prospects for technology stocks, which the market appears to be embracing once more, after five years of value investing. On outlook of the fund, Aled states that even though technology stocks are by no means cheap across the board, there are pockets of value to be found. A number of themes overlay the bottom up stock selection process of the PRU Global Technology Fund, which Prudential believes to be growth areas worthy of serious investment. These include the digitisation of the consumer, medical technology and defence technology.

The S&P awards rely on a calculation known as the Relative Risk-Adjusted Ratio to select its winners. With this methodology, it uncovers the fund that has not only beaten its peer group, but has done so consistently. Success of the PRU Global Technology Fund at the awards is a direct result of Prudential's investment philosophy, which emphasises consistent long-term value for investors.



¹ Asia Asset Management magazine, January 2006

² S&P Micropal and M&G Investment Management, S\$, bid-bid basis, net income reinvested, as at 31 December 2005.

Most Improved Retail Fund House

Prudential Unit Trusts Singapore won the merit award from Asia Asset Management magazine's Most Improved Retail Fund House in Singapore Award for 2005.

How did we do it?

Funds under management more than doubled in 2005. Strong demand for Prudential funds pushed the company's ranking right up the industry market share tables to a consistent 5th position in 2005, from number 10 in year 2004. Asia Asset Management cited Prudential companies with five other awards as well in four countries – Singapore, Korea, India and Malaysia – for performance, product innovation and assets raised.

	Name of Fund House	AUM S\$m
1	DBS Asset Mgt.*	6,139.6
2	Schroder Investment Mgt.	3,313.4
3	UOB Asset Mgt.	2,603.0
4	Lion Capital Management Ltd	1,935.0
5	Prudential Asset Mgt Singapore	1,613.4
6	First State Investments (Sing)	1,582.4
7	Aberdeen Asset Mgt Asia Ltd.	1,338.5
8	AIG Global Invt Corp (SG) Ltd	1,184.6
9	Templeton Asset Mgt Ltd.	951.2
10	HSBC Investments (Singapore)*	762.2
11	Others	2,874.3

Source: S&P Micropal, Singapore Registered Fund-Authorised, display the latest data available, as at 31 January 2006.

* Source: S&P Micropal, display the latest data available as at 31 December 2005.

Investor demand for Prudential funds has been strong

Investor demand for Prudential Unit Trusts' group of funds has been strong in 2005. Assets under management rose more than 100% over the past year, from S\$729.37 million. In 2005, Prudential launched four new funds which were aimed at meeting the financial needs of investors. All four funds managed to raise more than the average size of funds in Singapore, which is S\$50 million³. The PRU Monthly Income Plan (Class A and M) raised S\$55 million, while the Yield 15 and Yield 20 raised over S\$300 million during their offer period. The PRU Global Basics Fund closed the year with S\$59.5 million, having only been launched for slightly over three months.

PRU Funds recorded some solid gains in 2005

Good stock selection sent the PRU Japan Smaller Companies Fund and PRU Dragon Peacock Fund recording solid gains of 33.8% (27.1% on offer-bid basis) and 23.72% (17.5% on offer-bid basis) respectively⁴, for the year ended 2005.

³ Cerrulli Survey, Asian Distribution Dynamics 2005 (year-end figure for 2004, year-end figure for 2005 not available at date of print).

⁴ S&P Micropal, AGR, bid-bid basis, Singapore Dollar, net income reinvested, as at 31 December 2005.

Renewed interest in technology stocks also saw the PRU Global Technology Fund grow by 20.73% (14.7% on offer-bid basis) for the same period. Every PRU Fund is backed by an investment philosophy that emphasizes long-term value.

The M&G Global Basics Fund, which is the underlying fund for the newly launched PRU Global Basics Fund, also has a history of strong long-term performance. For the year ending 2005, the M&G Global Basics Fund returned 40.7% (35.0% on offer-bid basis)⁵.

Since its launch, the 5-Star Mercer rated PRU Global Basics Fund has been featured in local media for its strong performance and unique investment strategy. Most recently, the fund was featured in the Business Times⁶ due to its second largest holding, P&O, being the target of a takeover bid. Even though the fund is not an M&A fund, its shares in fundamentally attractive companies were repeatedly subject of buyouts that enabled the fund to achieve substantial takeover premiums. The fund's performance continues to exceed its peers in the S&P Global Equity Sector⁷. Like the PRU Global Basics Fund and PRU Global Technology Fund, Prudential's aim remains to provide investors with products that deliver consistently strong performance, that will help meet their financial goals.

⁵ M&G Investment Management, AGR, bid-bid basis, Sterling Pound, net income reinvested, as at 31 December 2005

⁶ Business Times, Cover Story "PSA's stake in P&O sitting on £29 m paper profit", 7 February 2006

⁷ M&G Investment Management and S&P Micropal – S&P Global Equity Sector comparison, as at 14 February 2006.

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