

10 February 2010

To: Unitholder of PRU 3Plus

Dear Valued Unitholder

### **NOTICE OF REVISED SUBORDINATION**

Further to our credit event notice dated 19 January 2010 in respect of Aiful Corporation, we wish to inform you that the revised subordination as at 31 January 2010 is 2.071%. The Reference Portfolio had a 0.25% weight in Aiful Corporation. The recovery rate for Aiful Corporation was 40%. The credit event affected the subordination and it was reduced to 2.071% from 2.221%.

This notice has been provided for your information only. Should you have any queries on the above, please do not hesitate to contact us at 6317 9618 or any of our appointed distributors for clarification.

Prudential Asset Management (Singapore) Limited

### **Important Information**

1. The potential principal repayment on maturity date and the payouts are provided for by debt securities and derivative transactions employed as part of the investment approach of the PRU 3Plus (the "Fund") and not backed by a guarantee. Investors may lose part or all of their investment in the Fund in the event, amongst others, there is a downgrade of the debt securities, default by the issuers of the debt securities, a default of the swap counterparty to the derivative transactions, an early redemption of the note(s), or credit events/trading actions resulting in cumulative losses that exceed the initial loss protection level (as defined in the portfolio credit default swap agreement). As such, there is no guarantee that any payout will be made or that the frequency and amount of payout as set out in the prospectus will be met or the principal may be repaid at maturity date. Please refer to the prospectus relating to the Fund for more details on the risks of investing in the Fund.
2. The Fund aims to repay the principal to investors upon maturity. However, investors will have to hold their investments in the Fund for the entire investment tenure of 3 years before they may benefit from the principal repayment. If investors realise their units before the Fund matures, the realisation price will be based on the prevailing net asset value which can vary according to market fluctuations and may be substantially less than the principal value per unit on maturity.
3. Although the investment tenure of the Fund is intended for 3 years from its commencement date ("start date"), investors should note the risk of early termination of the Fund due to early redemption of the note(s) upon certain specified events occurring. Investors should also note the risk of the maturity date of 3 years from the start date being extended in the event that the maturity date of the note(s) is extended upon certain specified events occurring. Please refer to the prospectus relating to the Fund for more details on the risks of investing in the Fund.



4. The credit ratings are solely statements of opinion of the credit rating agency and not statements of fact or recommendations to purchase, hold or sell any securities or make any other investment decisions. The credit rating may also be subject to suspension, charge or withdrawal at anytime by the credit rating agency. Accordingly, any use of the information contained herein should not rely on any credit rating or other opinion contained herein in making any investment decision.

The Fund is no longer available for subscription. This notice is provided to existing investors of the Fund for information only and may not be published, circulated, reproduced or distributed in whole or part to any other person without the written consent of Prudential Asset Management (Singapore) Limited ("PAMS"). Investments in the Fund are not deposits with or other obligations of, or guaranteed or insured by PAMS, Merrill Lynch International or any subsidiary or associate thereof, or by any distributor of the Fund.

An investment in the Fund is subject to investment risks, including the possible loss of the principal amount invested. Investors should not act on it without first independently verifying its contents. Past performance of the Fund is not necessarily indicative of the future performance of the Fund.

PAMS is an ultimately wholly-owned subsidiary of Prudential plc of the United Kingdom. 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.

In case of discrepancy between the English and Chinese versions of this document, the English version shall prevail.