

All data as at 31 July 2010 unless otherwise stated

**Investment Objective**

The investment objective of the PRU Monthly Income Plan is to seek to provide investors with regular income and capital growth by investing: (i) 30% to 70% of its assets into the Luxembourg domiciled International Opportunities Funds - US High Yield Bond; and (ii) 30% to 70% of its assets into the Luxembourg domiciled International Opportunities Funds - Asian Bond. The Fund may in addition, at the Manager's absolute discretion, invest up to 20% of its assets in any other Asia Pacific investments (including real estate investment trusts, dividend yielding equities and any other sub-funds of the International Opportunities Funds, subject to the prior approval of the Authority where necessary).

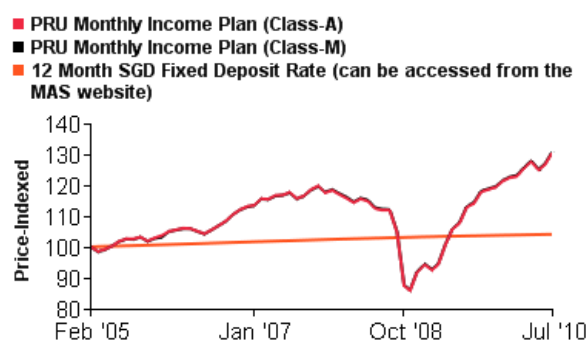
**Fund Details**

Launch Date	11 January 2005	Sub-Manager of Underlying Fund(s)	PPM America, Inc ( for IOF US High Yield Bond - USD)
Initial Sales Charge	Max 5%	Benchmark	12 Month SGD Fixed Deposit Rate (can be accessed from the MAS website)
Min. Initial Investment (Class-A)	SGD 1,000 <sup>+</sup>	Underlying Fund Size	IOF - Asian Bond - USD 922.1 M, IOF - US High Yield Bond - USD 315.2 M
Min. Initial Investment (Class-M)	SGD 10,000 <sup>+</sup>	Subscription Method	Cash, SRS Account
Min. Subsequent Investment	SGD 100	Fund Size	SGD 160.4 M
Annual Management Fee	1.25% <sup>^</sup>	Fund Currency	SGD
Fund Manager	Prudential Asset Management (Singapore) Limited		

**Performance**

Period	1 month	3 months	1 year	3 years *	5 years *	Since Inception *
Offer-Bid (Class-A)	-2.0%	-2.8%	9.9%	2.4%	3.9%	4.0%
Bid-Bid (Class-A)	3.1%	2.3%	15.6%	4.1%	4.9%	5.0%
Benchmark (Class-A)	0.0%	0.1%	0.5%	0.6%	0.7%	0.7%
Offer-Bid (Class-M)	-2.1%	-2.8%	9.9%	2.5%	3.9%	4.0%
Bid-Bid (Class-M)	3.0%	2.3%	15.6%	4.2%	5.0%	5.0%
Benchmark (Class-M)	0.0%	0.1%	0.5%	0.6%	0.7%	0.7%

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: 01 Feb 05

**Top 10 holdings**

BNYMELLON LIQUIDITY B FUND	1.9%
SPRINT CAPITAL CORP 6.875% 15/11/2028	1.2%
HCA INC 9.625% 15/11/2016	1.1%
PETRONAS CAPITAL LTD 5.250% 08/12/2019	0.7%
PETRONAS CAPITAL LTD 7.000% 05/22/2012	0.7%
BOSTON SCIENTIFIC CORP 6% 15/1/2020	0.7%
REPUBLIC OF PHILIPPINES 7.750% 01/14/2031	0.7%
EL PASO CORPORATION 7.75% 15/1/2032	0.7%
REPUBLIC OF PHILIPPINES 9.500% 02/02/2030	0.6%
CSC HOLDINGS INC 8.5% 15/4/2014	0.6%

<sup>+</sup>Subject to distributor's terms and conditions.

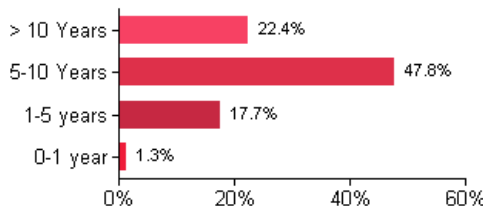
<sup>^</sup>The Annual Management Fee indicated includes the management fee payable by the Underlying Funds to its investment manager.

### Asset Allocation



- IOF - Asian Bond 48.8%
- IOF - US High Yield Bond 45.4%
- Equities 3.5%
- Cash And Other Net Assets 2.3%

### Maturity



### Rating



- BB-/Ba3/BB- 18.4%
- BB/Ba2/BB 13.8%
- A-/A3/A- 9.0%
- A/A2/A 8.0%
- B+/B1/B+ 7.2%
- B/B2/B 6.7%
- BB+/Ba1/BB+ 6.4%
- BBB-/Baa3/BBB- 5.2%
- BBB/Baa2/BBB 4.1%
- OTHERS 21.2%

Above data refers to the maturity data of the Underlying Funds

Above data refers to the rating data of the Underlying Funds; Credit rating by S&P/Moody's/Fitch

### Market Overview

The PRU Monthly Income Plan Class A and Class M were up by 3.1% (bid-to-bid basis) and 3.0% (bid-to-bid basis) respectively versus its benchmark's neutral return. Risk assets performed well in July as investor sentiment was boosted by the better-than-expected Purchasing Managers' Index (PMI) data from Europe and hopes of a shift in Chinese policy. The renewed weakness in US housing and consumer data were offset by the strong quarterly corporate earnings. Against this positive market backdrop, the USD credit markets enjoyed some good gains over the month.

Meanwhile, high yield bonds produced strong gains in July, boosted by better than expected earnings releases and lower volatility. July also brought improved clarity around a number of issues such as financial regulatory reform, the gulf oil spill, and European bank stress tests, which had been plaguing the capital markets for several months. Elsewhere, credit spreads in Asia narrowed in tandem with stock price rises over the month, particularly for high yield credits.

On the whole, US dollar credit is no longer extremely attractive with spreads trading close to historical average. Credit markets' fundamentals have improved as evidenced by declining corporate default rates, a slowdown in rating downgrades, and still healthy availability of investor liquidity and demand for new corporate bond issuances. The fund manager continues to maintain a slightly lower allocation to US high yield bond versus US dollar Asian bond. All the US dollar credit investment continues to be fully currency hedged to Singapore dollar.

### Important Information

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. Past performance of Prudential Asset Management (Singapore) Limited ("PAMS") (Company Reg No. 199407631H) and the Fund is not necessarily indicative of the future performance of the Fund or PAMS. 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 PAMS 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. Distribution payout shall, at the sole discretion of PAMS, be made out of either (a) income; or (b) net capital gains; or (c) capital of the Fund or a combination of (a) and/or (b) and/or (c). There is no guarantee that any distribution will be made or that the frequency and amount of distributions as set out in the prospectus will be met. When distributions are declared and paid out (including out of capital) with respect to the Fund, the net assets attributable to the relevant Class of Units will stand reduced by an amount equivalent to the product of the number of Units outstanding and distribution amount declared per Unit. Payout is computed based on S\$1.00 initial issue price. The value of units and the income accruing therefrom, if any, in the Fund, may fall or rise. The name of the Fund, PRU Monthly Income Plan should not be taken as implying that monthly or regular distributions in respect of units will be made. 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 Jun 2010, the Investment Manager had approximately S\$61.09 billion of assets under management, of which approximately S\$ 46.87 billion were discretionary funds managed in Singapore.