

# PRU Dragon Peacock Fund (CASH)

September 2011

All data as at 31 August 2011 unless otherwise stated

## Investment Objective

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).

## Fund Details

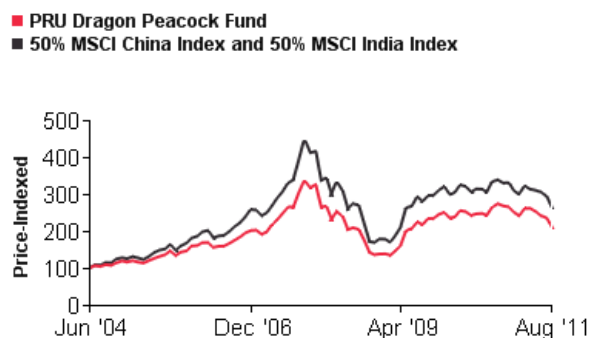
Launch Date	18 May 2004	Sub-Manager	Prudential Asset Management (Hong Kong) Limited (China Portfolio Only)
Initial Sales Charge	Max 5%	Benchmark	50% MSCI China Index and 50% MSCI India Index
Min. Initial Investment	SGD 1,000 <sup>†</sup>	Subscription Method	Cash, SRS Account
Min. Subsequent Investment	SGD 100	Fund Size	SGD 978.0 M
Annual Management Fee	1.5%	Fund Currency	SGD
Manager	Prudential Asset Management (Singapore) Limited	CPFIS Risk Classification	Higher Risk - Narrowly Focused (Country - Others)

## Performance

Period	1 month	3 months	1 year	3 years *	5 years *	Since Inception *
Offer-Bid	-15.2%	-20.9%	-17.5%	-0.8%	3.8%	10.1%
Bid-Bid	-10.7%	-16.7%	-13.2%	0.9%	4.8%	10.9%
Benchmark	-10.9%	-15.3%	-14.0%	-0.9%	5.8%	14.3%

Source: Prudential Asset Management (Singapore) Limited and Bloomberg. S\$; net income reinvested; Offer-bid includes 5% Initial Sales Charge. \*Annualised

## Performance Chart



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

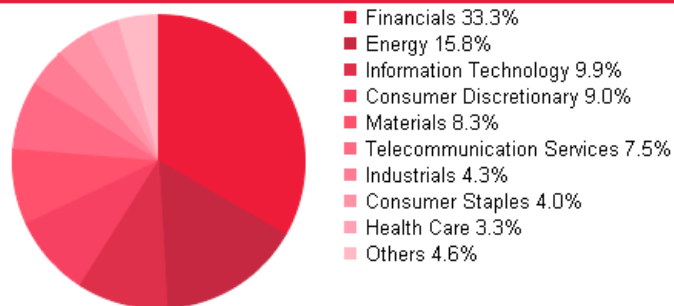
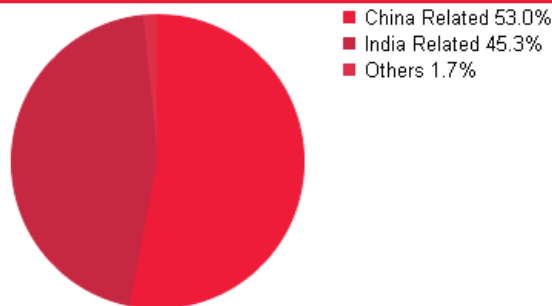
## Top 10 holdings

BANK OF CHINA LTD SHS H ORD CNY1	6.1%
INFOSYS LTD ORD INR5 (DMT)	5.0%
CHINA UNICOM (HONG KONG) ORD HKD0.1	4.6%
RELIANCE INDUSTRIES LTD ORD INR10 (DMT)	4.6%
INDUSTRIAL AND COMMERCIAL BANK OF CHINA H SHS ORD CNY1	4.5%
ICICI BANK LTD ORD INR10 (DEMAT)	4.1%
CNOOC LTD ORD HKD0.02	3.8%
FOCUS MEDIA HOLDING LIMITED ADR (1 ADR REP 10 ORD SHS)	3.3%
DR REDDY'S LABORATORIES LTD ORD INR5 (DMT)	3.3%
CHINA PETROLEUM & CHEMICAL CORP H SHR ORD HKD1	3.0%

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

**Country**

**Sector**



**Market Overview**

Chinese and Indian equities had a volatile month as investors remained focus on developments in US and Europe. The S&P's US credit rating downgrade and the European sovereign debt crisis affected sentiment as investors' risk aversion rose. The MSCI China and MSCI India indices closed lower in SGD terms. This was despite generally positive macroeconomic data released during the month. Both recorded steady industrial production growth which was comparable to the previous month. Inflation data were broadly unchanged versus the earlier month at 6.5% and 9.2% for China and India respectively<sup>1</sup>.

China Unicom (Hong Kong) Ltd recorded a significant net profit growth for the second quarter that outpaced street expectations, and guided to a positive business outlook. China Pacific Insurance Group Co Ltd (CPIC) bolstered the Fund's performance. The fund manager remains positive on the growing China insurance industry. CPIC has an astute management and broad product offering that will enable the group to tap into the industry growth opportunities. The stake in Focus Media Holdings Ltd continued to contribute positively to the Fund's performance, buoyed by its strong second quarter profits. The Fund's underweight position in China Mobile Ltd detracted from performance. The company reported a strong set of second quarter earnings that beat consensus estimates. The shares of Tata Motors Ltd and BYD Co Ltd closed weaker because of disappointing earnings. The fund manager trimmed Sohu.com Inc and Focus Media Ltd as their valuations were looking more expensive following recent price rise; but retained overweight positions in both stocks as their longer term fundamentals remain intact. The overweight position in Bank of China Ltd was also lightened. The proceeds were redeployed to increasing weights in several existing Indian stocks and a new stock China Merchant Holdings (International) Ltd.

Source:<sup>1</sup> Bloomberg, August 2011

**Important Information**

**Investors should note that the net asset value of this Fund is likely to have a high volatility due to its investment policies or portfolio management techniques.**

**The Fund may use derivative instruments for efficient portfolio management and hedging purposes.**

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A prospectus in relation to the Fund is available and a copy of the prospectus may be obtained from PAMS and its distribution partners. Investors should read the prospectus before investing in units of the Fund. All application for units in the Fund must be made on the manner described in the prospectus. 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/manager is not necessarily indicative of the future performance. 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. Investors may wish to seek advice from a financial adviser before making a commitment to invest in units of the Fund. Whilst PAMS has taken all reasonable care to ensure that the information contained in this document is not untrue or misleading at the time of publication, PAMS cannot guarantee its accuracy or completeness. Any opinion or estimate contained in this document is subject to change without notice. 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. As at Jun 2011 PAMS had approximately S\$68.50 billion of assets under management, of which approximately S\$51.78 billion were discretionary funds managed in Singapore. In case of discrepancy between the English and Chinese versions, the English version shall prevail.