

All data as at 31 August 2011 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).

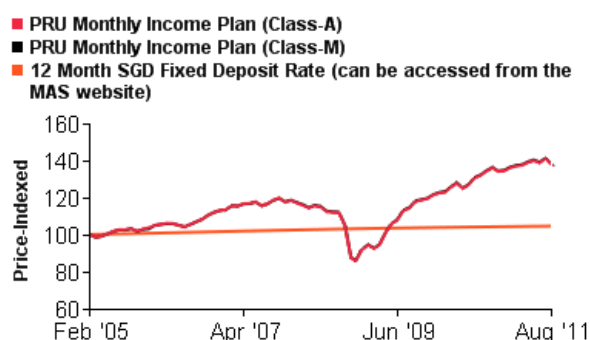
**Fund Details**

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 1439.6 M, IOF - US High Yield Bond - USD 667.8 M
Min. Initial Investment (Class-M)	SGD 10,000 <sup>+</sup>	Subscription Method	Cash, SRS Account
Min. Subsequent Investment	SGD 100	Fund Size	SGD 295.8 M
Annual Management Fee	1.25% <sup>^</sup>	Fund Currency	SGD
Manager	Prudential Asset Management (Singapore) Limited		

**Performance**

Period	1 month	3 months	1 year	3 years *	5 years *	Since Inception *
Offer-Bid (Class-A)	-7.4%	-6.6%	-0.9%	5.3%	4.1%	4.1%
Bid-Bid (Class-A)	-2.5%	-1.7%	4.3%	7.1%	5.2%	5.0%
Benchmark (Class-A)	0.0%	0.1%	0.4%	0.5%	0.6%	0.7%
Offer-Bid (Class-M)	-7.4%	-6.6%	-0.9%	5.3%	4.1%	4.2%
Bid-Bid (Class-M)	-2.5%	-1.7%	4.3%	7.1%	5.2%	5.0%
Benchmark (Class-M)	0.0%	0.1%	0.4%	0.5%	0.6%	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	1.7%
FORD MOTOR CREDIT CO LLC 8.125% 15/1/2020	0.6%
HUTCH WHAMPOA INT 10 LTD 6.000%	0.6%
CITIGROUP CAPITAL XIII 0	0.6%
PHILIPPINES(REP) 6.375% 10/23/2034	0.6%
REPUBLIC OF PHILIPPINES 9.500% 02/02/2030	0.6%
REPUBLIC OF PHILIPPINES 7.750% 01/14/2031	0.5%
WELLS FARGO CAPITAL X 7.7% 29/12/2049	0.5%
REPUBLIC OF PHILIPPINES 10.625% 03/16/2025	0.5%
INTELSAT BERMUDA LTD 11.25% 4/2/2017	0.5%

The data of bonds reflect the Fund's positions held at the Underlying Funds' level.

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

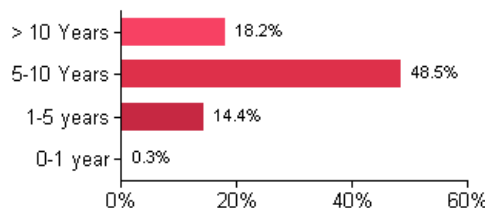
<sup>^</sup>The Annual Management Fee indicated includes the management fee payable by the Underlying Funds to its investment manager.

### Asset Allocation



- IOF - Asian Bond 46.0%
- IOF - US High Yield Bond 41.9%
- Equities 4.6%
- Cash And Other Net Assets 7.5%

### Maturity



### Rating



- BB-/Ba2/BB- 12.7%
- BB+/Ba1/BB+ 8.9%
- BB-/Ba3/BB- 8.8%
- A-/A2/A- 7.2%
- B+/B1/B+ 6.6%
- B-/B2/B- 6.5%
- A-/A3/A- 5.7%
- BBB-/Baa3/BBB- 5.6%
- B-/B3/B- 4.6%
- OTHERS 33.4%

The data reflect the Fund's positions held at the Underlying Funds' level.

Credit ratings of securities held by Underlying Funds are by S&P/Moody's/Fitch.

The data reflect the Fund's positions held at the Underlying Funds' level.

### Market Overview

Credit markets began weakening at the beginning of the second quarter of this year. Spreads have been widening since mid-April for US high yield credit, as investors increasingly became wary of the mounting macro risks. The Fund manager is of the view that the macro environment has turned markedly negative. It is likely that we will see several years of sub-trend global growth.

With the above backdrop, the fund manager of the Fund recognises the need to demand a greater margin of safety in risky asset valuation. As the margin of safety is insufficient for equities in general, he does see value in high yield bonds. He believes that the high risk premium (over government bonds) now priced into US high yield bonds can more than compensate for possible rise in credit default losses. Hence, for a medium-term investor who can weather some short-term price volatility, high yield bonds are attractive at current valuation.

While the fund manager recognises the near-term risk of further downside in equities in general, he believes that a modest allocation to high yield stocks for an income fund is still appropriate. These stocks tend to exhibit lower volatility than the general equity index, and this strategy of enhancing dividend income has worked well previously, and is likely to continue enhancing the 'carry' on the Fund over the medium term. The Fund will aim to be almost fully invested, and will take the opportunity of short-term market weakness to add to US high yield bonds out of cash.

### Important Information

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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. Distribution payout shall, at the sole discretion of PAMS, be made out of either (a) income; or (b) net capital gains of the Fund; 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 initial issue price of S\$1.00.

**The Fund/ underlying fund(s) may use derivative instruments for efficient portfolio management or hedging purposes.**

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 deciding whether to subscribe for or purchase units in 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 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. 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.