

All data as at 30 September 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**

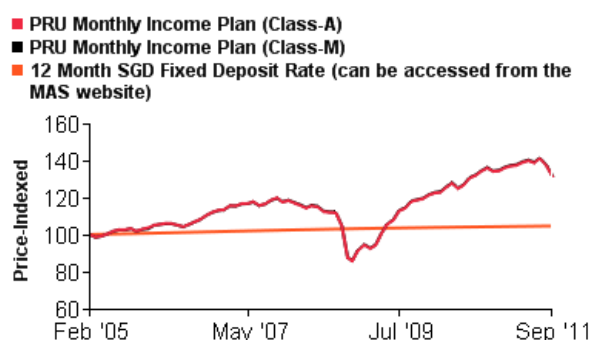
Launch Date	11 January 2005	Sub-Manager of Underlying Fund(s)	PPM America, Inc ( for IOF US High Yield Bond - USD)
Initial Sales Charge	Max 5%	Benchmark	12 Month SGD Fixed Deposit Rate (can be accessed from the MAS website)
Min. Initial Investment (Class-A)	SGD 1,000 <sup>+</sup>	Underlying Fund Size	IOF - Asian Bond - USD 1596.4 M, IOF - US High Yield Bond - USD 771.1 M
Min. Initial Investment (Class-M)	SGD 10,000 <sup>+</sup>	Subscription Method	Cash, SRS Account
Min. Subsequent Investment	SGD 100	Fund Size	SGD 308.9 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)	-8.9%	-9.7%	-6.7%	6.0%	2.9%	3.4%
Bid-Bid (Class-A)	-4.2%	-5.0%	-1.8%	7.9%	4.0%	4.2%
Benchmark (Class-A)	0.0%	0.1%	0.4%	0.5%	0.6%	0.7%
Offer-Bid (Class-M)	-9.0%	-9.8%	-6.7%	6.0%	3.0%	3.5%
Bid-Bid (Class-M)	-4.2%	-5.1%	-1.8%	7.9%	4.0%	4.3%
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	2.2%
HCA INC 7.5% 15/2/2022	0.8%
FORD MOTOR CREDIT CO LLC 8.125% 15/1/2020	0.6%
CITIGROUP CAPITAL XIII 0	0.6%
INTELSAT BERMUDA LTD 11.25% 4/2/2017	0.6%
PHILIPPINES(REP) 6.375% 10/23/2034	0.5%
WELLS FARGO CAPITAL X 7.7% 29/12/2049	0.5%
HUTCH WHAMPOA INT 10 LTD 6.000%	0.5%
REPUBLIC OF PHILIPPINES 9.500% 02/02/2030	0.5%
EH HOLDING CORP 7.625% 15/6/2021	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.

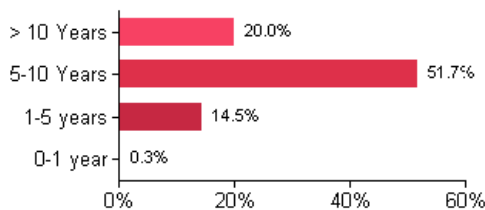
<sup>^</sup>The Annual Management Fee indicated includes the management fee payable by the Underlying Funds to its investment manager.

## Asset Allocation

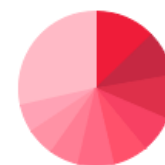


- IOF - US High Yield Bond 50.0%
- IOF - Asian Bond 45.4%
- Equities 4.5%
- Cash And Other Net Assets 0.1%

## Maturity



## Rating



- BB-/Ba2/BB 12.8%
- BB+/Ba1/BB+ 9.4%
- BB-/Ba3/BB- 9.2%
- B-/B2/B 7.6%
- A-/A2/A 7.3%
- B+/B1/B+ 7.3%
- B-/B3/B- 6.1%
- A-/A3/A- 5.9%
- BBB-/Baa3/BBB- 5.8%
- OTHERS 28.5%

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. Thus, the macro environment has turned markedly negative. It is likely that we will see several years of sub-trend global growth. More crucially, in the shorter term, severe price action was triggered by loss of confidence. This in itself can have adverse impact on global economy, as capital providers are less willing to lend, and corporate and individuals are less willing to borrow, spend or invest. If so, real economic activity will decline.

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 would be able to 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.

The Fund will aim to be almost fully invested and will take the opportunity of the recent market correction to add to US high yield bond allocation and Asian Dollar credit out of cash. From a bottom-up perspective, the underlying credit and equity funds will remain focused on companies with resilient credit profiles and visible earnings cashflows.

## Important Information

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

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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.

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.

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