

PRU MONTHLY INCOME PLAN

YIELD 15

YIELD 20

SEMI-ANNUAL REPORTS

For the half year ended 30 June 2007

UNAUDITED FINANCIAL STATEMENTS

For the half year ended 30 June 2007

IMPORTANT NOTICE

Dear Unitholder

NOTIFICATION OF CHANGE IN TRUSTEE AND REGISTRAR PRUDENTIAL FUNDS

- Yield 15
 - Yield 20
 - PRU Monthly Income Plan
- (each, a “Sub-Fund”)

You are currently invested in one or more Sub-Funds under the Prudential Funds (the “Fund”) in which we, Prudential Asset Management (Singapore) Limited, are the manager.

We wish to inform you that RBC Dexia Trust Services Singapore Limited, the current trustee of the Fund, will be retiring as trustee on or around 1 November 2007 (the “Effective Date”).

The new trustee appointed for the Fund will be HSBC Institutional Trust Services (Singapore) Limited (Company Registration Number: 194900022R), whose registered address is at 21, Collyer Quay, #14-01 HSBC Building, Singapore 049320 and whose operating address is at 21, Collyer Quay, #10-01 HSBC Building, Singapore 049320.

HSBC Institutional Trust Services (Singapore) Limited will also be the new registrar of the Fund on the Effective Date and the register of the Fund would be kept and maintained at 20 Raffles Place, #13-01, Ocean Towers, Singapore 048620.

The proposed change of trustee and registrar is not expected to result in an increase in the trustee and registrar fees payable by the Fund.

Please note that the proposed change of trustee is subject to any comment from the relevant authorities. The Fund’s prospectus would be updated accordingly to reflect the proposed change and the deed of trust constituting the Fund would also be amended by way of a supplemental deed in due course.

All legal fees, costs and expenses incurred in connection with the proposed change in trustee and registrar will be borne by us.

This notice is for your information only and **no action is required to be taken by you.**

On behalf of all of us at Prudential Asset Management (Singapore) Limited, we thank you for your continued support. Please feel free to contact us at 6317 9618 or any of our distributors with any questions or concerns you may have.

Yours faithfully,

Suraj Mishra
Chief Executive Officer
For and on behalf of
Prudential Asset Management (Singapore) Limited

PRUDENTIAL FUNDS

Manager

Prudential Asset Management
(Singapore) Limited
30 Cecil Street #20-01
Prudential Tower
Singapore 049712
(Company Registration No. 199407631H)

Auditors

KPMG
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Directors of the Manager

Ajay Srinivasan (resigned on 30 June 2007)
Choy Peng Wah
Julian Christopher Vivian Pull
Philip Seah Cheng Chua (appointed on 7 Aug 06)
Suraj Mishra (appointed on 16 Aug 06)

Solicitors to the Manager

Allen & Gledhill
One Marina Boulevard
#28-00
Singapore 018989

Trustee

RBC Dexia Trust Services
Singapore Limited
20 Cecil Street #28-01
Equity Plaza
Singapore 049705
(Company Registration No. 199504677Z)

Solicitors to the Trustee

Rodyk & Davidson
80 Raffles Place #33-00
UOB Plaza 1
Singapore 048624

TABLE OF CONTENTS

	Page
SEMI-ANNUAL REPORT	
For the half year ended 30 June 2007	
PRU Monthly Income Plan	
Manager's Commentary	3 - 5
Financial Highlights	6 - 9
Financial Highlights of Underlying Funds	10 - 15
Yield 15/ Yield 20	
Manager's Commentary	16 - 18
Financial Highlights	19 - 22
Unaudited Financial Statements	
For the half year ended 30 June 2007	23 - 50

Prudential Unit Trusts – Monthly Income Plan (“PRU Monthly Income Plan”)

Structure

PRU Monthly Income Plan (the “Fund”) is established as two classes of units within the Fund. The Class A (annual payout) and Class M (monthly payout) have been established by the Manager for internal classification purposes to enable the different frequency and amount of payouts and do not constitute separate pools of assets. There are separate indicative net asset values in respect of both Classes of Units.

Investment Objective

PRU Monthly Income Plan seeks to provide investors with regular income and capital growth by investing: 30% to 70% of its assets into Luxembourg domiciled International Opportunities Funds-US High Yield Bond (“IOF US High Yield Bond”); and 30% to 70% of its assets into the Luxembourg domiciled International Opportunities Funds- Asian Bond (“IOF Asian Bond”). At the Manager’s discretion, the Fund may 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-fund’s of the International Opportunities Funds, subject to the prior approval of the Authority where necessary).

Manager’s Commentary

Fund performance

The PRU Monthly Income Plan Class A and Class M rose 4.0% and 4.4% in Singapore dollars respectively over the review period.

Market background

After a very strong start to the year, the US high yield bond market fell sharply in June, wiping out much of the performance generated in the first half of 2007. The market ended the review period 1.43%¹ higher in Singapore dollar terms, after being up by 3.4% for year to date at the end of May. Additionally, after reaching an all-time historical tight of +247 basis points over US Treasuries on 5th June, high yield spreads widened 57 basis points to +304 basis points at the end of June. Nonetheless, the high yield market remains the relative performance leader among the US fixed income asset classes in the review period.

Similarly, the Asian USD bond market held up well in the first and early second quarter of 2007. They, however, suffered some weakness in late May/June as global bonds sold-off after 10-year US Treasury bond yield broke the key support level of 5%. For the review period, the Asian USD bond market was up 1.14%² in Singapore dollar terms. Asian bond spreads finally

¹ *Merrill Lynch US High Yield 70% BB-Rated and 30% B-Rated Index*

² *JP Morgan Asian Credit Index*

PRU Monthly Income Plan

moved wider towards the end of June following the weakness in the global credit market as concerns over the US sub-prime mortgage resurfaced. Overall the average yield of the JP Morgan Asian Credit Index moved 40bps higher over the review period, driven mainly by a rise in US treasury yield; spread has only widened by 6 bps from end-December level.

Following a period of consolidation and slippages early in the year, most Asian stock markets resumed their upward ascent. Valuation concerns caused the swift pullbacks in the markets in late February to early March. Nonetheless the declines were short-lived and most markets have since moved on to chalk impressive gains. As a proxy of the Asian market, the MSCI AC Far East Free ex Japan Index's total return gross was up 16.9% in Singapore dollar terms for the review period.

Factors affecting performance

While the Fund's investment in the IOF Asian Bond and IOF US High Yield contributed positively to the Fund's absolute returns, it was the investment in selected Asian high yield equities that added most value to the Fund's absolute returns. Our decision to fully hedge the US dollar exposure of the two USD based bond funds did not add value as the Singapore dollar was relatively stable against the US dollar over the review period.

Key changes to the portfolio

The Fund has maintained its investment in the US high yield and Asian bonds at around 80% for most part of the review period, in line with our views that the credit market was expensive and that credit spreads were at historical lows. The Fund took profits on its entire equity holdings in March but added back its equity investment subsequently.

Outlook

Looking ahead, we will opportunistically invest in Asian high yielding equities, as we continue to favour this asset class over fixed income. Given the region's strong macroeconomic fundamentals, modestly-gearred balance sheets and ample liquidity, we remain upbeat about Asian equities for the medium-term. While valuation appears full in absolute terms as well as against the region's history and we do not foresee further re-rating, returns should broadly track earnings growth, we believe.

Despite recent developments, the sound fundamental environment for US high yield bonds remains in place. Low defaults should persist, and our outlook for an improving economy in the second half of the year is expected to be supportive of corporate credit. Additionally, with the exception of the crossover or fallen angel universe, much of the high yield market is protected to some degree from private equity transactions due to high yield covenant packages, another positive attribute in the current Leveraged Buyout ("LBO") and M&A environment. Credit spreads, although wider, remain near historical tight levels, and could persist around

PRU Monthly Income Plan

this range for awhile if the experience of the mid-to-late 1990's serves as an example. That said, periodic market corrections should not be unexpected given the strong performance the high yield and other risk markets have experienced in the past several years.

We remain optimistic on Asia's earnings growth and credit fundamentals as domestic consumption and export growth remain robust, especially with global growth set to reaccelerate in the second half of 2007. Nonetheless, the uncertainties in global interest rate environment should continue to undermine Asian bond performance, especially investment grade bonds as they are more sensitive to US Treasury movements and appear to be more overvalued than non-investment grade bonds.

PRU Monthly Income Plan

Fund Performance

(As at 30 June 2007)

Sub-Fund / Benchmark	3 month	6 month	1 year	3 year	Since inception*
	%	%	%	%	%
PRU Monthly Income Plan – Class A	1.9	4.0	12.9	N.A.	7.0
PRU Monthly Income Plan – Class M	1.8	4.4	13.3	N.A.	6.9
12 month SGD Fixed Deposit rate	N.A.	N.A.	0.83	N.A.	N.A.

Source: Prudential Asset Management (Singapore) Limited, S\$, bid-bid, net income reinvested; MAS.

* The first date of valuation of PRU Monthly Income Plan Fund was 1 February 2005.

PRU Monthly Income Plan – Class M has distribution payout of 0.4 cents per Class M Unit (ie 0.4% computed based on the initial issue price of S\$1.00) on 10 Jan 07, 12 Mar 07, 10 Apr 07, 10 May 07, 11 Jun 07 and 10 Jul 07. Class M has distribution payout of 0.6 cents per Class M Unit (ie 0.6% computed based on the initial issue price of S\$1.00) on 12 Feb 07.

Class A has distribution payout of 5 cents per Class A Unit (ie 5% computed based on the initial issue price of S\$1.00) on 12 Feb 07.

Exposure to Derivatives

	Fair Value at 30 Jun 07	Percentage of total net assets attributable to unitholders at 30 Jun 07	Unrealised Gains/ (Losses)	Realised Gains/ (Losses)
Type of Derivatives	\$	%	\$	\$
Forward Foreign Exchange Contracts	(668,637)	(1.06)	2,488,472	1,999,483.00
Spot Foreign Exchange Contracts	-	-	-	(3,195.00)

Investment in other unit trusts, mutual funds and collective investment schemes

The PRU Monthly Income Plan invests SGD23,855,555 and SGD23,593,889 equivalent to 37.94% and 37.52% of its net asset value attributable to unitholders, in International Opportunities Funds - Asian Bond and International Opportunities Funds - US High Yield Bond respectively.

PRU Monthly Income Plan

Borrowings

Nil.

Related Party Transactions

The PRU Monthly Income Plan invests SGD23,855,555 and SGD23,593,889 equivalent to 37.94% and 37.52% of its net asset value attributable to unitholders, in International Opportunities Funds - Asian Bond and International Opportunities Funds - US High Yield Bond respectively. Some directors of the International Opportunities Funds, an open-ended investment company registered in Luxembourg, are also directors of Prudential Asset Management (Singapore) Limited.

Total Subscriptions and Redemptions for the half year ended 30 Jun 2007

Subscriptions	Redemptions
SGD 12,228,453	SGD 9,693,272

Annualised Expense Ratio**

1.56% (2006 : 1.62%)

*** The expense ratio does not include, (where applicable) brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or backend loads arising from the purchase or sale of other schemes and tax deducted at source or arising out of income received.*

Turnover Ratio

23.71% (2006 : 47.29%)

Soft Dollar Commission

Not applicable.

Any other material information that will adversely impact the valuation of the fund

Nil.

PRU Monthly Income Plan

Top 10 holdings (for direct investment)

(As at 30 June 2007)

	Fair Value SGD	% of Net Assets Attributable to unitholders***
International Opportunities Funds -Asian Bond -D	23,855,555	37.94
International Opportunities Funds - US High Yield Bond-D	23,593,889	37.52
Hong Fok Corporation Ltd	1,725,840	2.74
Jardine Cycle & Carriage Ltd	1,617,000	2.57
China XLX Fertiliser Ltd	862,500	1.37
China Sunshine	85,020	0.14

Top 10 holdings (for direct investment)

(As at 30 June 2006)

	Fair Value SGD	% of Net Assets Attributable to unitholders***
International Opportunities Funds -Asian Bond -D	22,650,011	40.30
International Opportunities Funds - US High Yield Bond-D	20,693,026	36.81
Singapore Telecom/Boardlot1000	700,810	1.25
United Overseas Bank /Local	573,500	1.02
Hotel Properties	526,380	0.94
SIA Engineering Co Ltd	501,420	0.89
Capitaland Ltd	486,140	0.86
DBS Group Holdings Ltd	414,000	0.74
City Developments Ltd	390,600	0.69
Oversea-Chinese Bank Corporation	386,450	0.69

*** Any differences in the percentage of the Net Asset figures are the result of roundings.

PRU Monthly Income Plan

Schedule of Investments

(As at 30 June 2007)

	Fair Value SGD	% of Net Assets Attributable to unitholders***
Country		
Luxembourg (Underlying Funds)	47,449,444	75.46
Singapore	4,290,360	6.82
Industry		
Automobile Industry	1,617,000	2.57
Chemicals	947,520	1.51
Investment Funds	47,449,444	75.46
Real Estate Companies	1,725,840	2.74
Asset Class		
Equities	4,290,360	6.82
Investment in underlying funds	47,449,444	75.46
Cash & Equivalents	11,136,390	17.72

*** Any differences in the percentage of the Net Asset figures are the result of roundings.

International Opportunities Funds – US High Yield Bond Fund

Top 10 Holdings

(As at 30 June 2007)

	Market Value USD	% of Net Assets Attributable to unitholders***
Freeport-Mcmoran C & G 8.375% 1/4/2017	4,278,403	3.10
HCA Inc 9.25% 15/11/2016	3,523,350	2.50
Dyergy Holdings Inc 7.75% 01/06/2019	2,813,108	2.00
Freescale Semiconductor 10.125% 15/12/2016	2,788,040	2.00
Harrahs Operating Co Inc 5.375% 15/12/2013	2,689,118	1.90
GMAC 6.875% 15/9/2011	2,636,390	1.90
AES Corporation 9% 15/05/2015	1,874,844	1.40
Qwest Corp 6.875% 15/09/2033	1,860,000	1.30
GMAC 8% 01/11/2031	1,838,669	1.30
Deluxe Corp 7.375% 01/06/2015	1,735,280	1.30

Top 10 Holdings

(As at 30 June 2006)

	Market Value USD	% of Net Assets Attributable to unitholders***
GMAC 6.875% 15/9/2011	3,134,206	2.60
Dex Media West Llc 8.5% 15/08/2010	2,381,760	2.00
HCA Inc 6.5% 15/02/2016	2,229,304	1.90
US Treasury Note 3.125% 15/05/2007	1,962,500	1.60
AES Corporation 9% 15/05/2015	1,899,250	1.60
Hilton Hotels Corp 7.625% 01/12/2012	1,755,697	1.50
Qwest Corp 6.875% 15/09/2033	1,730,000	1.50
Williams Cos Inc 8.75% 15/03/2032	1,716,000	1.40
Qwest Corp 5.625% 15/11/2008	1,657,500	1.40
Basell AF SCA 8.375% 15/08/2015	1,646,475	1.40

*** Any differences in the percentage of the Net Asset figures are the result of roundings.

International Opportunities Funds – US High Yield Bond Fund

Schedule of Investments (continued)

Country	Market Value USD	% of Net Assets***
United States (U.S.A.)	118,780,193	85.70
Canada	5,917,905	4.30
Great-Britain	2,415,727	1.70
Liberia	1,862,574	1.30
Luxembourg	1,670,400	1.20
Cayman Islands	1,426,760	1.10
Bermuda Islands	1,027,500	0.80
Germany	606,375	0.40

Credit Rating (by S&P and Moody)	Market Value USD	% of Net Assets Attributable to unitholders***
BB+	18,358,762	13.20
B+	19,091,095	13.78
B	15,244,012	11.00
B-	14,466,819	10.45
BB	26,777,263	19.33
BB-	33,175,902	23.94
BBB-	5,508,154	4.00
CCC+	1,085,427	0.80

*** Any differences in the percentage of the Net Asset figures are the result of roundings.

International Opportunities Funds – US High Yield Bond Fund

Schedule of Investments (continued)

(As at 30 June 2007)

	Market Value USD	% of Net Assets Attributable to unitholders***
Industry		
Corporate Bonds	18,454,106	13.30
Telecommunications	15,296,340	11.00
Hotels	9,503,718	7.00
Oil & Gas	8,621,929	6.20
Finance - Financial Services	8,502,501	6.10
Building & Forest Products	7,826,735	5.60
Publishing	5,462,437	3.90
Metals	5,250,071	3.80
Pipelines	5,067,909	3.70
Chemicals	5,048,643	3.60
Healthcare	4,848,905	3.50
Utilities - Electric	4,762,273	3.40
Electronics & Electrical	4,581,077	3.30
Food Beverages Tobacco	3,896,617	2.90
Media	3,868,833	2.80
Special Purpose Entity	3,115,068	2.20
Energy	2,456,277	1.80
Auto - Auto Parts	2,319,750	1.70
Other	14,824,244	10.70
Asset Class		
Corporate Bond	133,707,434	96.50
Cash And Cash Equivalent	4,869,942	3.50

*** Any differences in the percentage of the Net Asset figures are the result of roundings.

Annualised Expense Ratio

0.07% (2006 : 0.07%)

Turnover Ratio

25.44% (2006 : 37.29%)

International Opportunities Funds – Asian Bond

Top 10 Holdings

(As at 30 June 07)

	Market Value USD	% of Net Assets***
Hutchison Whampoa Intl 03/33 7.45% 24/11/2033	20,203,156	2.80
Citic Resources Finance 6.75% 15/5/2014	14,956,957	2.10
Hutchison Whampoa Intl 03/13 6.5% 13/2/2013	14,800,405	2.00
Agile Property Holdings Ltd 9% 22/09/13	14,516,320	2.00
Sarawak International 5.5% 08/03/2015	14,378,893	2.00
GT 2005 Bonds Bv 10.25% 21/07/2010	14,093,750	1.90
Shinhan Bank 5.663% 02/03/2035	12,805,661	1.80
Indonesia Treasury Bond 11% 15/09/2025	12,174,350	1.70
Republic Of Philippines 10.625% 16/03/2025	11,948,625	1.60
Gain Silver Finance 6.375% 25/08/2016	11,719,464	1.60

Top 10 Holdings

(As at 30 June 06)

	Market Value USD	% of Net Assets***
Term Deposit 260606 with Bank of New York	21,000,000	4.10
Sarawak International 5.5% 08/03/2015	18,478,606	3.70
Republic Of Philippines 9% 15/02/2013	15,883,125	3.10
Republic Of Philippines 9.375% 18/01/2017	15,744,250	3.10
Hutchinson Whampoa International 6.5% 13/02/2013	14,515,370	2.90
Republic Of Philippines 8.375% 15/02/2011	13,822,594	2.70
Republic Of Philippines 10.625% 16/03/2025	10,569,938	2.10
Public Bank Berhad 5.625% 22/09/2014	9,828,160	1.90
IOI Ventures 5.25% 16/03/2015	9,704,581	1.90
Malaysia Govt Investment Issue 3.895% 14/04/2009	9,653,262	1.90

*** Any differences in the percentage of the Net Asset figures are the result of roundings.

International Opportunities Funds – Asian Bond

Schedule of Investments (continued)

(As at 30 June 2007)

Country	Market Value USD	% of Net Assets***
Cayman Islands	118,942,785	16.40
Korea	118,776,344	16.40
Malaysia	88,115,031	12.10
Indonesia	75,350,548	10.40
Philippines	53,456,383	7.40
Hong Kong	44,783,202	6.20
Singapore	61,378,191	8.40
Netherlands	40,924,238	5.60
Bermuda Islands	37,511,353	5.20
Virgin Islands British	24,603,176	3.50
United States (U.S.A.)	12,684,384	1.70
Thailand	10,990,895	1.50
Peru	10,400,000	1.40
India	9,386,855	1.30
Pakistan	5,032,900	0.70
Taiwan Province Of China	4,051,610	0.60
Credit Rating (by S&P/ Moody's/Fitch)		
AAA	2,700,000	0.37
AA	10,022,694	1.38
A+	3,696,360	0.51
A	37,147,943	5.12
A-	124,161,120	17.12
B1	4,634,100	0.64
B+	58,254,447	8.03
B	22,307,750	3.08
B-	2,581,250	0.36
BB+	22,201,100	3.06
BB	48,992,284	6.76
BB-	74,588,663	10.28
BBB+	37,501,938	5.17
BBB	92,611,252	12.77
BBB-	20,541,651	2.83
MOODY'S A1	13,032,823	1.80
MOODY'S A3	9,796,972	1.35
MOODY'S B1	17,741,419	2.45
MOODY'S B2	4,850,000	0.67
MOODY'S BA3	14,412,000	1.99
MOODY'S BA2	14,956,957	2.06
MOODY'S BAA1	11,236,660	1.55
MOODY'S BAA3	17,823,320	2.46
FITCH B+	7,256,118	1.00
Not rated	43,339,074	5.99

*** Any differences in the percentage of the Net Asset figures are the result of roundings.

International Opportunities Funds – Asian Bond

Schedule of Investments (*continued*)

(As at 30 June 2007)

	Market Value USD	% of Net Assets***
Industry		
Banking	199,893,754	27.50
Corporate Bonds	71,055,572	9.70
Government Bonds	58,267,558	8.00
Diversified Operations	58,125,254	8.00
Special Purpose Entity	53,111,284	7.30
Real Estate	52,424,910	7.20
Floating Rate Notes	32,490,242	4.50
Telecommunications	29,621,775	4.10
Oil & Gas	25,111,761	3.50
Finance – Financial Services	19,985,296	2.80
Transport	14,872,694	2.10
Government Gilts	12,192,800	1.70
Chemicals	11,166,068	1.50
Retail	10,276,040	1.40
Commercial Services	10,033,986	1.40
Electronics & Electrical	9,931,250	1.40
Bonds	9,844,405	1.40
Media	8,511,250	1.20
Computers & Office Equipment	8,020,000	1.10
Auto Parts	7,898,301	1.10
Environment Control	4,956,250	0.70
Distribution & Wholesale	3,072,576	0.40
Commercial Paper	2,949,869	0.40
Energy	2,575,000	0.40
Asset Class		
Corporate Bond	628,728,970	86.70
Government Bond	75,670,663	10.40
Convertible Bond	7,738,262	1.10
Mortgage Related	4,250,000	0.60
Cash And Cash Equivalent	8,869,670	1.22

*** Any differences in the percentage of the Net Asset figures are the result of roundings

Annualised Expense Ratio

0.05 % (2006 : 0.07%)

Turnover Ratio

36.23 % (2006 : 79.58%)

Yield 15 & Yield 20

Investment Objective

Yield 15 and Yield 20 is to seek to provide investors with:

- (i) 100% capital protection on the Maturity Date; and
- (ii) a payout of 3% and 4.5%** of the Initial Offer Price per Unit held by each holder as at each Anniversary Date for Yield 15 and Yield 20 respectively.

(**due to favourable currency swap conditions, payout for Yield 20 has been increased from the stated Prospectus amount of 4% to 4.5%).

“Maturity Date” means 10 June 2010 (or if such date does not fall on a Business Day, the next Business Day).

“Anniversary Date” means 10 June 2007, 10 June 2008, 10 June 2009 and the Maturity Date (or if such date does not fall on a Business Day, the next Business Day).

Manager’s Commentary

Funds performance

The Funds are structured high yield collateralised debt obligations. Their performance up to date had been within expectations. There were no defaults since January as the high yield credit market had its lowest historical default. The spreads have narrowed since inception from 363bps (April 2005) vs. 298 bps (June 2007).

In terms of NAV, it was S\$0.953 as at end Jan 2007 vs. S\$0.956 as at end June 2007 (for Yield 15), and US\$0.972 as at end Jan 2007 vs. US\$0.968 as at end June 2007 (for Yield 20).

The current subordination remains healthy as the Funds gain subordination due to replacement trades in January. The tranche remains to be AA- rated.

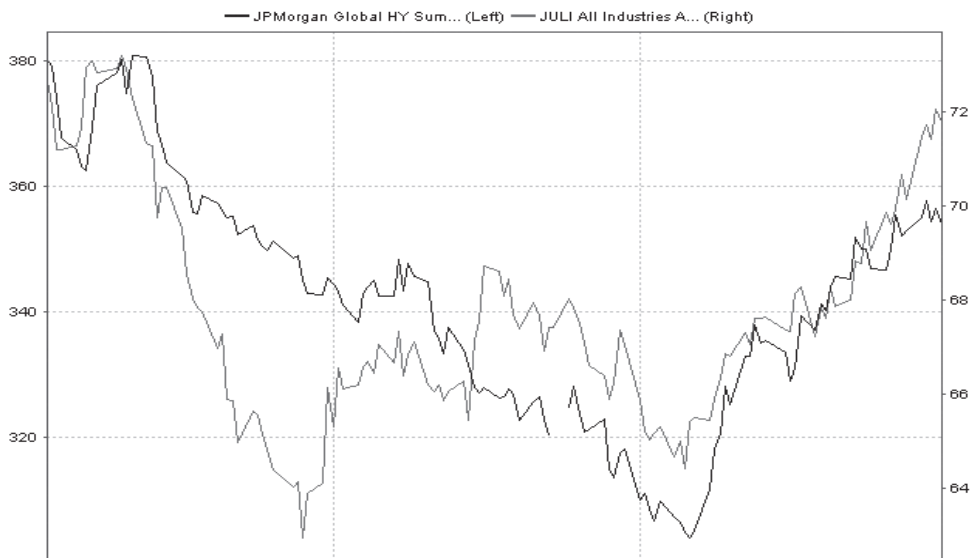
Market background

Performance of the high yield market had been volatile due to the following factors:

- Problems in US sub prime housing market.
- Increasing LBOs and M&A in the market.
- Higher interest rates.
- Increasing risk aversion sentiments.

Yield 15 & Yield 20

The graph below shows the JP Morgan Global High Yield.



Source: JP Morgan, July 2007.

Factors affecting performance

The Funds remained resilient despite volatility in the market as long as defaults did not rise. The Funds' biggest sectors exposures (8%) were in cable & satellite and telecommunications. The pausing of monetary tightening by the Federal Reserve helped to ease market volatility in June. In respect of interest rates, SGD 5 years rate was at 3.34% in Jan 2007 vs. 3.11% in June 2007; whereas USD 5 years rate was at 5.04% in Jan 2007 vs. mid year's 5.49%.

The performance stability of the Funds since January 2007 was due to the low default rates in the high yield market.

Key changes to the portfolio

As of March 2007, the loss protection levels for the Funds as a result of the three credit events and their recovery rates were 18.81% (for Yield 15) and 18.872% (for Yield 20). As of end June 2007, approximately 3 bps were further gained from replacement trades i.e. 18.81% to 18.84% (for Yield 15) and 18.872% to 18.902% (for Yield 20).

Yield 15 & Yield 20

Outlook

For the next half of 2007, we believe that the high yield market performance will hinge on the following macro factors :

1. Direction of interest rates.
2. US sub prime housing market.
3. Risk aversion sentiments.

Our expectations that idiosyncratic risks such as LBOs, M & A and share buybacks will persist in selective credits in the high yield market. In addition, forecast spreads may widen during the next 6 months period as investors reassess their risk /return positions.

With increment in subordination of the tranche, this will help to mitigate any potential loss arising from the market. According to calculation by the S&P CDO evaluator, the notes issued by RASA Limited remains unchanged and at a healthy level of "AA-".

Yield 15

Fund Performance

(As at 30 June 2007)

Sub-Fund	3-month %	6-month %	1-year %	3 years %	since inception+ %
			(average annual compounded return)		
Yield 15	-1.3	0.4	4.9	N.A.	-4.4
12 month SGD Fixed Deposit rate	N.A.	N.A.	0.83	N.A.	N.A.

Source: Prudential Asset Management (Singapore) Ltd, S\$, bid-to-bid, net income reinvested; MAS.

+ The first date of valuation of Yield 15 was 10 June 2005.

Yield 15 has distribution payout of 3% of the Initial Offer Price per Unit (i.e. 3 cents computed based on the initial issue price per unit of \$1.00) on 22 Jun 07.

Schedule of Investments

(As at 30 June 2007)

Number of Shares	Notes Singapore	Fair Value SGD	% of net assets attributable to unitholders***
258,854,000	RASA LTD 3.75% 10/06/2010	243,211,453	96.01
Total Investments		243,211,453	96.01
Other Net Assets		10,108,570	3.99
Total Net Assets Attributable to unitholders		253,320,023	100.00

*** Any differences in the percentage of the Net Asset figures are the result of roundings.

Yield 15

(As at 30 June 2007)

Exposure to Derivatives

Yield 15 invests SGD243,211,453 equivalent to 96.01% of its net asset value attributable to unitholders, in RASA Ltd 3.75% 10/06/2010.

Investment in other unit trusts, mutual funds and collective investment schemes

Nil.

Borrowings

Nil.

Related Party Transactions

Nil.

Total Subscriptions and Redemptions for the half year ended 30 Jun 2007

Redemptions

SGD 3,577,143

Annualised Expense Ratio**

1.03% (2006: 1.03%)

***The expense ratio does not include, (where applicable) brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or backend loads arising from the purchase or sale of other schemes and tax deducted at source or arising out of income received.*

Turnover Ratio

Nil.

Soft Dollar Commission

Not applicable.

Any other material information that will adversely impact the valuation of the fund

Nil.

Yield 20

Fund Performance

(As at 30 June 2007)

Sub-Fund	3-month %	6-month %	1-year %	3 years %	since inception+ %
			(average annual compounded return)		
Yield 20	-2.4	-0.7	4.1	N.A.	-3.2
12 month USD Fixed Deposit rate	N.A.	N.A.	5.41	N.A.	N.A.

Source: Prudential Asset Management (Singapore) Ltd, US\$, bid-to-bid, net income reinvested; MAS

+ The first date of valuation of Yield 20 was 10 June 2005.

Yield 15 has distribution payout of 4.5% of the Initial Offer Price per Unit (i.e. 4.5 cents computed based on the initial issue price per unit of \$1.00) on 22 Jun 07.

Schedule of Investments

(As at 30 June 2007)

Number of Shares	Notes Singapore	Fair Value SGD	% of net assets attributable to unitholders***
17,978,000	RASA LTD 5.5% 10/06/2010	17,003,952	95.39
Total Investments		17,003,952	95.39
Other Net Assets		821,078	4.61
Total Net Assets Attributable to unitholders		17,825,030	100.00

*** Any differences in the percentage of the Net Asset figures are the result of roundings.

Yield 20

(As at 30 June 2007)

Exposure to Derivatives

Yield 20 invests USD17,003,952 equivalent to 95.39% of its net asset value attributable to unitholders, in RASA Ltd 5.5% 10/06/2010.

Investment in other unit trusts, mutual funds and collective investment schemes

Nil.

Borrowings

Nil.

Related Party Transactions

Nil.

Total Subscriptions and Redemptions for the half year ended 30 Jun 2007

Redemptions

USD 1,865,285

Annualised Expense Ratio**

1.04% (2006: 1.04%)

***The expense ratio does not include, (where applicable) brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or backend loads arising from the purchase or sale of other schemes and tax deducted at source or arising out of income received.*

Turnover Ratio

Nil.

Soft Dollar Commission

Not applicable.

Any other material information that will adversely impact the valuation of the fund

Nil.

FINANCIAL STATEMENTS

For the half year ended 30 June 2007 (unaudited)

	Page
Statement of Total Return	24 - 25
Balance Sheet	26 - 27
Portfolio Statements	28 - 33
Notes to the Financial Statements	34 - 50

Prudential Funds

Statement of Total Return

For the half year ended 30 June 2007

	PRU Monthly Income Plan	
	Financial period from 1 Jan 07 to 30 Jun 07 S\$	Financial period from 1 Jan 06 to 30 Jun 06 S\$
Income		
Dividend	36,301	159,141
Interest	126,801	53,311
	<u>163,102</u>	<u>212,452</u>
Other Income		460
	<u>163,102</u>	<u>212,912</u>
Less:		
Management fees	376,014	354,803
Registration Fees	7,161	3,719
Trustees' Fees	12,032	11,354
Custody Fees	1,646	14,021
Audit Fees	3,554	1,223
Others	48,142	54,032
Expenses	<u>448,549</u>	<u>439,152</u>
Net loss	<u>(285,447)</u>	<u>(226,240)</u>
Net gains or losses on value of investment		
Net realised gains on investments sold	2,021,715	682,290
Net change in fair value on investment	1,135,373	(1,958,037)
Net realised gains on financial derivatives	1,996,288	1,362,429
Net change in fair value on financial derivatives	(2,488,472)	434,768
Net gains on value of investment	<u>2,664,904</u>	<u>521,449</u>
Total return for the year before income tax	2,379,457	295,209
Less: Income tax	3 <u>(4,376)</u>	<u>(18,017)</u>
Total return for the year after income tax before distribution	<u>2,375,081</u>	<u>277,193</u>
Less: Distribution	<u>(1,868,031)</u>	<u>(1,858,702)</u>
Total return for the year	<u>507,050</u>	<u>(1,581,510)</u>

The accompanying notes form an integral part of these financial statements.

Prudential Funds

Statement of Total Return

For the half year ended 30 June 2007

	Yield 15		Yield 20	
	Financial period from 1 Jan 07 to 30 Jun 07 S\$	Financial period from 1 Jan 06 to 30 Jun 06 S\$	Financial period from 1 Jan 07 to 30 Jun 07 US\$	Financial period from 1 Jan 06 to 30 Jun 06 US\$
Interest	9,743,700	975	1,029,200	459
Investment income	9,743,700	975	1,029,200	459
Less:				
Management fees	1,239,869	1,236,869	98,278	95,829
Registration Fees	26,475	26,475	2,086	2,086
Trustees' Fees	54,648	52,950	4,361	4,172
Custody Fees	19,832	19,832	1,563	1,563
Audit Fees	2,000	5,000	700	3,149
Others	17,090	18,605	1,481	1,615
Expenses	1,359,914	1,359,731	108,469	108,414
Net income	8,383,786	(1,358,756)	920,731	(107,955)
Net gains or losses on value of investments				
Net realised gains on investment sold	(170,497)	10,010,636	(59,341)	1,127,839
Net change in fair value on investment	(799,804)	(3,183,255)	(245,033)	(15,302)
Net gains/(losses) on value of investments	(970,301)	6,827,381	(304,374)	1,112,537
Total return for the year before income tax	7,413,485	5,468,625	616,357	1,004,582
Less: Income tax	3 -	-	-	-
Total return for the year after income tax before distribution	7,413,485	5,468,625	616,357	1,004,582
Less: Distribution	(7,724,582)	(7,921,817)	(831,054)	(916,180)
Total return for the period	(311,097)	(2,453,192)	(214,697)	88,402

The accompanying notes form an integral part of these financial statements.

Prudential Funds**Balance Sheet**

As at 30 June 2007

		PRU Monthly Income Plan	
		30 Jun 07	31 Dec 06
Notes		S\$	S\$
ASSETS			
	Portfolio of investments	51,739,804	49,937,649
	Receivables	5 99,389	1,032,030
	Fair value on financial derivatives	-	1,819,834
	Cash and bank balance	12,392,261	8,334,240
	Total assets	64,231,454	61,123,753
LIABILITIES			
	Payables	6 686,623	1,289,790
	Fair value on financial derivatives	7 668,637	-
	Net assets attributable to unitholders	8 62,876,194	59,833,963
	Total liabilities	64,231,454	61,123,753

The accompanying notes form an integral part of these financial statements.

Prudential Funds

Balance Sheet

As at 30 June 2007

	Notes	Yield 15		Yield 20	
		30 Jun 07 S\$	31 Dec 06 S\$	30 Jun 07 US\$	31 Dec 06 US\$
ASSETS					
Portfolio of investments		243,211,453	247,721,257	17,003,952	19,145,985
Prepaid expenses	4	8,081,334	9,440,740	643,614	751,880
Receivable	5	918,898	423,619	684,773	226,380
Cash and bank balances		2,044,063	50,190	192,967	9,892
Total assets		<u>254,255,748</u>	<u>257,635,806</u>	<u>18,525,306</u>	<u>20,134,137</u>
LIABILITIES					
Payable	6	934,952	427,543	700,276	229,125
Distribution payable		773	-	-	-
Net assets attributable to unitholders	8	<u>253,320,023</u>	<u>257,208,263</u>	<u>17,825,030</u>	<u>19,905,012</u>
Total liabilities		<u>254,255,748</u>	<u>257,635,806</u>	<u>18,525,306</u>	<u>20,134,137</u>

The accompanying notes form an integral part of these financial statements.

As at 30 June 2007

PRU Monthly Income Plan

	Holdings 30/06/07 (units)	Fair value 30/06/07 (\$)	Percentage of total net assets attributable to unitholders 30/06/07 (%)
<u>By Geography* - Primary</u>			
Quoted Investment Funds			
Luxembourg			
International Opportunities Funds - Asian Bond -D-USD	1,275,497	23,855,555	37.94
International Opportunities Funds - High Yield Bond-D-USD	1,368,838	23,593,889	37.52
		47,449,444	75.46
Quoted Shares			
Singapore			
China Sunshine	218,000	85,020	0.14
China XLX Fertiliser Ltd	750,000	862,500	1.37
Hong Fok Corporation Ltd	918,000	1,725,840	2.74
Jardine Cycle & Carriage Ltd	105,000	1,617,000	2.57
		4,290,360	6.82
Portfolio of investments		51,739,804	82.28
Other net assets		11,136,390	17.72
Net assets attributable to unitholders		62,876,194	100.00

*Geography classification is based on the country on which the companies are incorporated.
The accompanying notes form an integral part of these financial statements.

As at 30 June 2007

	PRU Monthly Income Plan	
	Percentage of total net assets attributable to unitholders 30/06/07 (%)	Percentage of total net assets attributable to unitholders 31/12/06 (%)
	By Geography (Summary) – Primary	
Singapore	6.82	5.73
Luxembourg	75.46	77.73
Portfolio of investments	82.28	83.46
Other net current assets	17.72	16.54
Net assets attributable to unitholders	100.00	100.00

The accompanying notes form an integral part of these financial statements.

	PRU Monthly Income Plan		
	Fair value 30/06/07 (\$)	Percentage of total net assets attributable to unit holders 30/06/07 (%)	Percentage of total net assets attributable to unit holders 31/12/06 (%)
	By Industry - Secondary		
Automobile industry	1,617,000	2.57	0.39
Chemicals	947,520	1.51	-
Graphic art & publishing	-	-	0.33
Investment funds	47,449,444	75.46	82.37
Mining and heavy industries	-	-	0.37
Real estate companies	1,725,840	2.74	-
Portfolio of investments	51,739,804	82.28	83.46
Other net current assets	11,136,390	17.72	16.54
Net assets attributable to unitholders	62,876,194	100.00	100.00

As at 30 June 2007

Yield 15

	Holdings 30/06/07 (units)	Fair Value 30/06/07 (S\$)	Percentage of total net assets attributable to unitholders 30/06/07 (%)	Percentage of total net assets attributable to unitholders 31/12/06 (%)
By Geography* - Primary Unquoted Note				
Singapore				
R.A.S.A. (Repackaged Assets & Securities in Asia) Limited Notes Series 23	258,854,000	243,211,453	96.01	96.31
Other Net Current Assets		10,108,570	3.99	3.69
Net assets attributable to unitholders		253,320,023	100.00	100.00

Notes issued by R.A.S.A. (Repackaged Assets & Securities in Asia) Limited ("RASA") are part of a master note issuance program. The proceeds received by RASA are used to purchase fixed income securities which includes:

1. SGD 67,000,000 nominal amount bond issued by Depfa Bank.
2. SGD 67,000,000 nominal amount bond issued by Westpac Banking Corporation.
3. SGD 67,000,000 nominal amount issued by BNP Paribas SA.
4. SGD 66,250,000 nominal amount issued by Deutsche Bank AG, Sydney Branch.

These securities form the Collateral for RASA's obligation under a portfolio credit default swap agreement entered into with Deutsche Bank AG by way of an asset swap hedging agreement. The portfolio credit default swap is linked to a reference portfolio of between 70 to 120 equally weighted credits. The entry into this swap agreement results in RASA assuming certain credit risks associated with the credit portfolio for which it receives a fee from Deutsche Bank AG. Deutsche Bank AG quotes an unwinding price for the RASA Note.

**Geography classification is based on the country of incorporation of the issuer.
The accompanying notes form an integral part of these financial statements.*

As at 30 June 2007

	Yield 15		
	Fair value 30/06/07 (\$)	Percentage of total net assets attributable to unit holders 30/06/07 (%)	Percentage of total net assets attributable to unit holders 31/12/06 (%)
By Industry – Secondary			
Financial institutions	243,211,453	96.01	96.31
Other Net Current Assets	10,108,570	3.99	3.69
Net assets attributable to unitholders	253,320,023	100.00	100.00

The accompanying notes form an integral part of these financial statements.

As at 30 June 2007

Yield 20

	Holdings 30/06/07 (units)	Fair Value 30/06/07 (S\$)	Percentage of total net assets attributable to unitholders 30/06/07 (%)	Percentage of total net assets attributable to unitholders 31/12/06 (%)
By Geography* - Primary Unquoted Note				
Singapore				
R.A.S.A. (Repackaged Assets & Securities in Asia) Limited Notes Series 24	17,978,000	17,003,952	95.39	96.19
Other Net Current Assets		821,078	4.61	3.81
Net assets attributable to unitholders		17,825,030	100.00	100.00

Notes issued by R.A.S.A. (Repackaged Assets & Securities in Asia) Limited ("RASA") are part of a master note issuance program. The proceeds received by RASA are used to purchase fixed income securities which includes:

1. USD 5,260,000 nominal amount bond issued by Depfa Bank.
2. USD 5,260,000 nominal amount bond issued by Westpac Banking Corporation.
3. USD 5,270,000 nominal amount bond issued by BNP Paribas SA.
4. USD 5,270,000 nominal amount bond issued by Deutsche Bank AG, Sydney Branch.

These securities form the Collateral for RASA's obligation under a portfolio credit default swap agreement entered into with Deutsche Bank AG by way of an asset swap hedging agreement. The portfolio credit default swap is linked to a reference portfolio of between 70 to 120 equally weighted credits. The entry into this swap agreement results in RASA assuming certain credit risks associated with the credit portfolio for which it receives a fee from Deutsche Bank AG. Deutsche Bank AG quotes an unwinding price for the RASA Note.

**Geography classification is based on the country of incorporation of the issuer.
The accompanying notes form an integral part of these financial statements.*

As at 30 June 2007

	Yield 20		
	Fair value 30/06/2007 (\$)	Percentage of total net assets attributable to unit holders 30/06/07 (%)	Percentage of total net assets attributable to unit holders 31/12/06 (%)
By Industry – Secondary			
Financial institutions	17,003,952	95.39	96.19
Other Net Current Assets	821,078	4.61	3.81
Net assets attributable to unitholders	17,825,030	100.00	100.00

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

1. Principal Activities

Prudential Funds (“the Fund”) is an umbrella unit trust constituted pursuant to a Trust Deed dated 10 January 2005 between Prudential Asset Management (Singapore) Limited (“the Manager”), and RBC Dexia Trust Services Singapore Limited (formerly known as Dexia Trust Services Singapore Limited) (“the Trustee”). The Trust Deed, Supplemental Deeds and Amending and Restating Deeds (collectively, the “Trust Deed”) are governed by and construed in accordance with the laws of the Republic of Singapore.

As at 30 June 2006, the Fund had the following sub-funds:

Sub-Fund	Commencement Date	Maturity Date	Underlying Investments
PRU Monthly Income Plan	1 February 2005	-	International Opportunities Funds - US High Yield Bond - Asian Bond
Yield 15	10 June 2005	10 June 2010	R.A.S.A. (Repackaged Assets & Securities in Asia) Limited Notes Series 23
Yield 20	10 June 2005	10 June 2010	R.A.S.A. (Repackaged Assets & Securities in Asia) Limited Notes Series 24

The sub-fund, PRU Monthly Income Plan, which was established with two classes of Units, namely “Class A” and “Class M”, invests all or substantially all its assets in the units of the sub-funds of the Luxembourg-domiciled International Opportunities Funds, other funds and direct securities. The two Classes of Units have been established by the Manager for internal classification purposes to enable the different frequency and amount of payouts and do not constitute separate pool of assets. Consequently, the financial statements of this sub-fund has been presented to show the combined financial results of Class A and Class M.

The sub-funds, Yield 15 and Yield 20 invests all or substantially all its assets in the R.A.S.A. Notes Series 23 and 24 respectively. These notes are arranged by Deutsche Bank AG and issued by R.A.S.A Limited as part of its master note issuance program.

2. Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are expressed in Singapore dollar except for the Yield 20 sub-fund where the financial statement of this sub-fund is expressed in the United States dollars. These financial statements are prepared in accordance with the historical cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Certified Public Accountants of Singapore.

For the purposes of preparation of these financial statements, the basis used for calculating the ratio of expenses and portfolio turnover ratio are in accordance with the guidelines issued by the Investment Management Association of Singapore and the Code of Collective Investment Schemes (under the Securities and Futures Act (Chapter 289)).

(b) Recognition of income

Dividend income is recognised when declared. Interest income is recognised on accrual basis.

(c) Distribution policy

PRU Monthly Income Plan

The sub-fund consists of two classes of Units, Class A (annual payout) and Class M (monthly payout). As part of the investment objective of the sub-fund, the Manager intends to make regular annual and monthly distributions for Class A and Class M respectively.

Distributions are at the discretion of the Manager and there is no guarantee that any distribution will be made. The Manager may also vary the frequency and/or amount of the distributions made.

Distributions of the sub-fund may, in the event that income and net capital gains are insufficient, be made out of the capital of the sub-fund. In the event distributions are made out of the capital of the sub-fund, unitholders will be notified accordingly of the proportion of the distribution which is made out of the capital of the sub-fund.

Yield 15

The Manager intends to make a payout of 3% of the initial offer price per Unit of S\$1.00 held by each unitholder as at each Anniversary Date.

“Anniversary Date” means 10 June 2007, 10 June 2008, 10 June 2009 (or if such dates do not fall on a business day, the next business day) and the maturity date (or such other dates as the Manager may determine from time to time).

There is no guarantee that any payout will be made. The Manager may also vary the frequency and/or amount of the payout.

Yield 20

The Manager intends to make a payout of 4.5% of the initial offer price per Unit of US\$1.00 held by each unitholder as at each Anniversary Date.

“Anniversary Date” means 10 June 2007, 10 June 2008, 10 June 2009 (or if such dates do not fall on a business day, the next business day) and the maturity date (or such other dates as the Manager may determine from time to time).

There is no guarantee that any payout will be made. The Manager may also vary the frequency and/or amount of the payout.

(d) Investments

PRU Monthly Income Plan

Investments in underlying investment funds and quoted securities are stated at fair value based on the last bid price as at the balance sheet date.

Yield 15 and Yield 20

Investments in unquoted RASA Notes for the sub funds Yield 15 and Yield 20 are initially recognised at cost and are subsequently remeasured at the fair values estimated by the arranger of the notes. This fair value is determined based on valuation techniques.

As explained in Note 11, the fair values estimated are dependent on the collaterals, interest rates, the creditworthiness of the reference entities in relation to the portfolio credit default swap, the creditworthiness of RASA Limited and the creditworthiness of the swap counterparty. The fair values of the RASA Notes are therefore a function of the fair values of the collaterals and the fair values of the swaps.

The fair values of the collaterals are estimated using pricing models or discounted cash flow techniques. Where discounted cash flow techniques are used, estimated future cash flows are based on best estimates and the discount rate is a market related rate for a similar instrument at the balance sheet date. Where other pricing models are used, inputs are based on market related data at the balance sheet date.

The swaps are not separate market instruments and therefore do not have a readily available market value. The fair values of the swaps are estimated based on a function of time and movement in credit spreads.

The unrealised difference between the fair value and original cost is taken directly to the Statement of Total Return. All realised gains and losses on disposal of investments are computed on the basis of the difference between weighted average cost and selling price and are taken directly to the Statement of Total Return.

(e) Foreign currencies

Transactions in foreign currencies are translated at the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at exchange rates at the reporting date. All exchange differences are recognised in the Statement of Total Return.

(f) Units

All units issued by the sub-funds provide the investors with the right to require redemption for cash at the value proportionate to the investor's share in the sub-funds' net assets at the redemption date. Accordingly, units give rise to a financial liability for the present value of the redemption amount.

(g) Financial derivatives

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the Statement of Total Return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in the Statement of Total Return.

(h) Prepaid Expenses

In respect to the Yield 15 and Yield 20 sub-funds, prepaid management fees, custody fees, trustee fees, registration fees, valuation fees, audit fees and other expenses are stated at cost and amortised on a straight line basis over 5 years through the Statement of Total Return.

Prepaid management fees are excluded by the Manager in the computation of the Net Assets Value per unit ("NAV") for redemption purposes.

3. Taxation

The sub-funds are designated unit trusts under the Singapore Income Tax Act (Chapter 134). As a result, the following income will not be taxed at the sub-fund level on:

- gains or profits derived from Singapore or elsewhere from the disposal of securities;
- interest (other than interest for which Singapore tax has been withheld); and
- dividend derived from outside Singapore and received in Singapore.

	PRU Monthly Income Plan	
	30 Jun 07 S\$	30 Jun 06 S\$
Singapore withholding tax suffered	4,376	18,017
Overseas tax suffered	-	-
	<u>4,376</u>	<u>18,017</u>

4. Prepaid Expenses

	Yield 15		Yield 20	
	30 Jun 07 S\$	31 Dec 06 S\$	30 Jun 07 US\$	31 Dec 06 US\$
Prepaid trustee fees	212,020	247,685	23,558	27,521
Prepaid expense deducted upfront				
- Management fee	7,382,604	8,617,473	588,399	683,527
- Custody fee	117,898	137,730	9,290	10,852
- Trustee fee	112,849	131,832	2,366	2,764
- Registration fee	157,387	183,862	12,401	14,487
- Valuation fee	78,693	91,931	6,200	7,243
- Audit fee	-	7,000	-	3,849
- Others	19,883	23,227	1,400	1,637
	<u>7,869,314</u>	<u>9,193,055</u>	<u>620,056</u>	<u>724,359</u>
	<u>8,081,334</u>	<u>9,440,740</u>	<u>643,614</u>	<u>751,880</u>

For the Yield 15 and Yield 20 sub-funds, the amounts of S\$7,869,314 (2006: S\$9,193,055) and US\$620,056 (2006: US\$724,359) respectively, represent prepaid management fees, custody fees, trustee fees, registration fees, valuation fees, audit fees and other expenses which have been deducted upfront after the initial period of the sub-funds in accordance with the prospectus of the sub-funds.

The above prepaid expenses have been excluded by the Manager in the computation of the Net Assets Value per unit ("NAV") for redemption purposes.

	Yield 15		Yield 20	
	30 Jun 07 S\$	31 Dec 06 S\$	30 Jun 07 US\$	31 Dec 06 US\$
Net assets attributable to unitholders per unit for redemption purposes (excluding effect of prepaid expenses)	0.95	0.95	0.97	0.97
Add: prepaid expenses per unit	0.04	0.04	0.03	0.04
Net assets attributable to unitholders per unit (including effect of prepaid expenses)	0.99	0.99	1.00	1.01

5. Receivables

	PRU Monthly Income Plan		Yield 15		Yield 20	
	30 Jun 07 S\$	31 Dec 06 S\$	30 Jun 07 S\$	31 Dec 06 S\$	30 Jun 07 US\$	31 Dec 06 US\$
Amount receivable for the creation of units	96,965	1,025,986	-	-	-	-
Sales awaiting settlement	-	-	918,898	423,619	684,773	226,380
Accrued Interest receivables	2,424	6,044	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
	99,389	1,032,030	918,898	423,619	684,773	226,380

6. Payables

	PRU Monthly Income Plan		Yield 15		Yield 20	
	30 Jun 07	31 Dec 06	30 Jun 07	31 Dec 06	30 Jun 07	31 Dec 06
	S\$	S\$	S\$	S\$	US\$	US\$
Payable to unitholders for cancellation of units	224,061	895,591	934,952	427,543	700,276	229,125
Payable to unitholders for distribution payout	169,127	167,557	-	-	-	-
Purchases awaiting settlement	85,913	-	-	-	-	-
Accrued expenses	207,522	226,642	-	-	-	-
	686,623	1,289,790	934,952	427,543	700,276	229,125

7. Fair Value of Financial Derivative Contracts

	PRU Monthly Income Plan					
	Contract or underlying principal amount		Positive fair value		Negative fair value	
	30 Jun 07	31 Dec 06	30 Jun 07	31 Dec 06	30 Jun 07	31 Dec 06
	S\$	S\$	S\$	S\$	S\$	S\$
Forward foreign exchange contracts	46,540,300	47,755,357	-	1,819,834	668,637	-

Financial derivative contracts for PRU Monthly Income Fund comprise of forward foreign exchange contracts, executed for the sale and purchase of foreign currencies. The year-end positive and negative fair values represent the unrealised gains and losses respectively on revaluation of financial derivative contracts at the balance sheet date.

8. Net Assets Attributable to Unitholders

	PRU Monthly Income Plan	
	30 Jun 2007	31 Dec 2006
	S\$	S\$
At the beginning of financial year	59,833,963	54,945,995
Operations		
Change in net assets attributable to unitholders resulting from operations	507,050	2,108,228
Unitholders' contributions/ (withdrawals)		
Creation of units	12,228,453	16,594,734
Cancellation of units	(9,693,272)	(13,814,994)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	2,535,181	2,779,740
Total increase/(decrease) in net assets attributable to unitholders	3,042,231	4,887,968
At the end of financial year	62,876,194	59,833,963
Net Asset Attributable to Unitholders		
- Class A	18,779,649	16,813,007
- Class M	44,096,545	43,020,956
Total Net Asset Attributable to Unitholders	62,876,194	59,833,963
Units in issue (Class A)	17,578,635	15,611,304
Units in issue (Class M)	42,281,734	41,839,226
Total units in issue	59,860,369	57,450,530
Net Asset Attributable to Unitholders Per Unit (Class A)	1.07	1.08
Net Asset Attributable to Unitholders Per Unit (Class M)	1.04	1.03

8. Net Assets Attributable to Unitholders (continued)

	Notes	YIELD 15		YIELD 20	
		30 Jun 2007 S\$	31 Dec 2006 S\$	30 Jun 2007 US\$	31 Dec 2006 US\$
At the beginning of financial year		257,208,263	256,124,370	19,905,012	20,301,931
Operations					
Change in net assets attributable to unitholders resulting from operations		(311,097)	6,966,571	(214,697)	882,861
Unitholders' contributions/ (withdrawals)					
Creation of units		-	-	-	-
Cancellation of units		(3,577,143)	(5,882,678)	(1,865,285)	(1,279,780)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(3,577,143)	(5,882,678)	(1,865,285)	(1,279,780)
Total increase/ (decrease) in net assets attributable to unitholders		(3,888,240)	1,083,893	(2,079,982)	(396,919)
At the end of financial year		253,320,023	257,208,263	17,825,030	19,905,012
Units in issue	9	256,508,075	260,216,959	17,744,437	19,639,392
Net Asset Attributable to Unitholders Per Unit		0.99	0.99	1.00	1.01

9. Units in issue

	PRU Monthly Income Plan			
	30 Jun 07 (Class M)	31 Dec 06 (Class M)	30 Jun 07 (Class A)	31 Dec 06 (Class A)
Units in beginning of the year	41,839,226	39,544,874	15,611,304	15,150,972
Units created	5,167,180	10,802,152	6,489,436	5,618,790
Units cancelled	(4,724,672)	(8,507,800)	(4,522,105)	(5,158,458)
Units at end of the year	42,281,734	41,839,226	17,578,635	15,611,304

	Yield 15		Yield 20	
	30 Jun 07	31 Dec 06	30 Jun 07	31 Dec 06
Units in beginning of the year	260,216,959	266,479,444	19,639,392	20,966,573
Units created	-	-	-	-
Units cancelled	(3,708,884)	(6,262,485)	(1,894,955)	(1,327,181)
Units at end of the year	256,508,075	260,216,959	17,744,437	19,639,392

10. Related Party Transactions

In the normal course of the business of the Fund, trustee fees, valuation fees and management fees have been paid or are payable to the Trustee and the Manager respectively as noted in the Statement of Total Return. In addition, sub-funds place deposits in bank accounts with related corporations of the Trustee.

Transactions with related parties were at terms agreed between the parties and within the provisions of the Trust Deed.

11. Financial Instruments

In the ordinary course of business, the Fund is exposed to a variety of risks as stated in the Fund's prospectus. The Manager continually monitors the exposure of the Fund to risks and appropriate procedures are in place to manage such risks. The risks relevant to the Fund are detailed below.

Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the sub-funds. Exposure to credit risk is monitored by the Manager on an ongoing basis. Cash is placed with financial institutions of good credit ratings.

Investments in fixed income securities are subject to adverse changes in the financial condition of the issuer, or in general economic conditions, or both, or an unanticipated rise

in interest rates, which may impair the ability of the issuer to make payments of interest and principal. Such issuer's ability to meet its debt obligations may also be adversely affected by specific projected business forecasts, or the unavailability of additional financing.

Transactions involving the sale and purchase of investments are allowed only with brokers that are of high credit quality. The sub-funds do not expect any counterparty to fail to meet their obligations. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. Concentration of the sub-funds investments are disclosed in the Portfolio Statement.

Liquidity risk

The Manager monitors and maintains a level of cash deemed adequate by management to finance the sub-fund's operations and to mitigate the effects of fluctuations in cash flows.

Interest rate risk

Investments in fixed income portfolios will be subject to the usual risks of investing in bonds and other fixed income securities. Bonds and other fixed income securities are subject to interest rate fluctuations and credit risks.

Foreign Currency risk

The sub-funds PRU Monthly Income Plan and Yield 15 are Singapore-dollar denominated while Yield 20 is US-dollar denominated. These sub-funds will invest in underlying entities which are denominated in foreign currencies, fluctuations in the relevant exchange rates may have an impact on the income and value of such sub-funds.

Generally, the Manager and the relevant sub-manager do not hedge the foreign currency exposure (if any) of the sub-funds although they have the discretion to do so.

Fair value

PRU Monthly Income Plan

The fair values of investments in underlying investment funds and quoted securities are based on the last bid price as at the balance sheet date.

Yield 15 and Yield 20

The fair values of the unquoted RASA Notes for the sub funds Yield 15 and Yield 20 are estimated by the arranger of the notes. These fair values are determined based on valuation techniques.

The fair values estimated are dependent on the collaterals, interest rates, the creditworthiness of the reference entities in relation to the portfolio credit default swap, the creditworthiness of RASA Limited and the creditworthiness of the swap counterparty. The fair values of the RASA Notes are therefore a function of the fair values of the collaterals and the fair values of the swaps.

The fair values of the collaterals are estimated using pricing models or discounted cash flow techniques. Where discounted cash flow techniques are used, estimated future cash flows are based on best estimates and the discount rate is a market related rate for a similar instrument at the balance sheet date. Where other pricing models are used, inputs are based on market related data at the balance sheet date.

The swaps are not separate market instruments and therefore do not have a readily available market value. The fair values of the swaps are estimated based on a function of time and movement in credit spreads.

12. Additional Risks for Yield 15 and Yield 20

Lack of diversification

Investments of the sub-funds will be invested in compliance with the exception to the 10% single party limit under the Appendix 1 of the Code on Collective Investment Schemes of Singapore (the "Code"). The sub-funds may also invest beyond the one-third limit and up to 100% of their respective net asset values in debt instruments which are structured products issued or guaranteed by a government, government agency or supranational that has a minimum long-term issuer rating of AA by Fitch Inc, Aa by Moody's or AA by Standard and Poor's.

The sub-funds may therefore be subject to a higher level of risk than portfolios diversifying their holdings across different issuers in accordance with the abovementioned 10% single party limit.

Capital protection and Payouts not guaranteed

The sub-funds are capital protected funds and not guaranteed sub-funds. The capital protection for units held until the relevant maturity date and payouts for units held until the respective anniversary dates is provided by payouts on the Deutsche Bank AG ("Deutsche Bank") arranged notes ("RASA Note") issued by R.A.S.A. (Repackaged Assets & Securities in Asia) Limited ("RASA Limited") and not by any guarantees.

No guarantee is given (whether express or implied) that unitholders will receive the payouts on the relevant anniversary dates and the 100% capital protection on the relevant maturity date.

Default risk in relation to RASA Limited and issuers of the Collateral

The Manager's ability to provide the capital protection and relevant payouts is dependent upon the receipt by RASA Limited of monies due to it under the investments made using the proceeds of the RASA Note (the "Collateral") for RASA Limited's obligations under the derivative transactions entered into with Deutsche Bank. To the extent that any or all of the issuers of the Collateral fails to make payments in respect of the Collateral held by RASA Limited, RASA Limited will have insufficient funds available to meet its obligations in respect of the RASA Note and the sub-funds could lose a substantial portion or all of their investment in the RASA Note.

Downgrade risk of issuers of the Collateral

Any credit ratings given to any of the issuers of the Collateral and the relevant financial institutions may be subject to suspension, downgrade or withdrawal at any time. In the event any of the ratings of the issuers of the Collateral and/or financial institutions with whom deposits are placed fall below the levels required, the Manager shall take all necessary actions within the prescribed periods to comply with the levels set out therein. In taking such action, capital losses and/or expenses may be incurred by the sub-funds resulting in the 100% capital protection not being achieved at the relevant maturity date of the sub-funds. Payouts, if any, may also be lower than expected as a result.

Liquidity of the Collateral

In the event the Collateral has to be liquidated prior to its maturity for any reason, the price obtainable for the Collateral will depend on the liquidity of the Collateral.

Exposure to the Portfolio Credit Default Swap

The amount of principal repayable by RASA Limited on the maturity of the RASA Note is also subject to occurrence of credit events (each a "Credit Event") as defined in the portfolio default swap agreement entered between RASA Limited and Deutsche Bank (the "Portfolio Credit Default Swap"). Upon the occurrence of a number of Credit Events resulting in cumulative losses that exceed the initial loss protection level, an amount will become payable by RASA Limited under the Portfolio Credit Default Swap. This amount and the costs (if any) associated with the partial termination of the asset swap hedging agreement entered into between RASA Limited and Deutsche Bank (the "Asset Swap Hedging Agreement") will be funded by liquidating the Collateral and the proceeds of such liquidation will be paid to Deutsche Bank in priority to payments due to the sub-funds under the RASA Note, and therefore RASA Limited would not have sufficient funds to redeem the RASA Note at its principal amount at maturity. Payments upon redemption (whether at maturity or earlier) will therefore depend upon, among other things, the credit performance of the reference portfolio of between 70 to 120 equally weighted credits linked to the Portfolio Credit Default Swap (each a "Reference Entity") and their successors.

Unitholders should also note that in the event of certain corporate reorganisations, other entities may succeed the initial Reference Entities and the identities of such Reference Entities and any information on such Reference Entities will not be available at the relevant issue date. Accordingly, the sub-funds could be exposed to the additional risks that such Reference Entities may suffer Credit Events during the life of the RASA Note which may or may not have an adverse impact on the return of its investment in the RASA Note.

The creditworthiness and/or performance of the Reference Entities and their successors may be dependent upon economic, political, financial and social events both locally and globally. There can be no assurance that such factors will not adversely affect the Reference Entities' or their successors' creditworthiness, credit ratings and/or performance and, in turn, the performance of the RASA Note. Further, when and whether to declare Credit Events of the Reference Entities is in the sole discretion of the calculation agent pursuant to the provisions of the Portfolio Credit Default Swap.

Unitholders should note that the occurrence of Credit Events, with cumulative losses not exceeding the loss protection level, whilst not leading to amounts being payable by RASA Limited under the Portfolio Credit Default Swap, may nevertheless affect the value of the RASA Note as potential buyers would be subject to fewer additional Credit Events having to occur prior to amounts becoming payable under the terms of the Portfolio Credit Default Swap. This could lead the sub-funds to suffer a loss of principal if the RASA Note is redeemed early for other reasons.

Default risk of the swap counterparty

Default by Deutsche Bank as the swap counterparty under the Portfolio Credit Default Swap and/or the Asset Swap Hedging Agreement will result in the early redemption of the RASA Note. If there is an early redemption of the RASA Note, RASA Limited or Deutsche Bank may be liable to make a termination payment (determined in accordance with the Portfolio Credit Default Swap and/or the Asset Swap Hedging Agreement) to the other. If there is an early termination of the Portfolio Credit Default Swap and/or the Asset Swap Hedging Agreement, and consequently an early redemption of the RASA Note occurs, there is no assurance that the proceeds from the liquidation of the Collateral plus (if the termination payment is due to RASA Limited) or minus (if the termination payment is due to Deutsche Bank) such termination payment will be sufficient to repay the principal amount due to be paid in respect of the RASA Note and any other amounts in respect thereof that may be due.

No recourse to Reference Entities

The RASA Note does not represent a claim against any Reference Entity and in the event of any loss on the RASA Note, the sub-funds will not have recourse under the RASA Note to any Reference Entity. The sub-funds will be exposed to the credit risk of the Reference Entities (as highlighted above).

Limited recourse to RASA Limited

Unitholders should also note that RASA Limited is incorporated with limited liability in Singapore. It is a special purpose company that will issue the RASA Note on a limited recourse basis backed by cashflows from certain assets held by it (comprising the Collateral and its rights under the Portfolio Credit Default Swap and the Asset Swap Hedging Agreement entered into in connection with the issue of the RASA Note). Due to the “limited recourse” nature of the RASA Note, claims in respect of the notes are limited to the proceeds of enforcement of the assets secured under the RASA Note and the other assets of RASA Limited will not be available to meet any shortfall.

In addition, should any unforeseen expenses or liabilities (which have not been provided for) arise, RASA Limited may be unable to meet them and may default on its obligations under the RASA Note. In such an event, there is no guarantee that the sub-funds will recover any amounts payable under the RASA Note and, accordingly, the sub-funds could lose a substantial portion or all of their investment in the RASA Note.

Credit Rating

While credit ratings can be a useful tool for financial analysis, however they are not a guarantee of quality or a guarantee of future performance in relation to the relevant obligations. Ratings assigned to securities by rating agencies may not fully reflect the true risks of an investment. Any rating may be subject to suspension, downgrade or withdrawal at any time.

A rating is not a guarantee of payment and the RASA Note could be subject to a ratings downgrade in future if Credit Events begin to occur to Reference Entities or if Reference Entities themselves become subject to ratings downgrades. A suspension, downgrade or withdrawal of the rating assigned to any issuer of the Collateral, relevant financial institution with whom deposits are placed may also result in a reduction of the rating assigned to the RASA Note. A suspension, downgrade or withdrawal of the rating assigned to the RASA Note may adversely affect the value of the RASA Note.

Risk of fluctuations in the value of the RASA Note

There can be no assurance that any appreciation in value will occur or that capital value will be preserved. The price of the RASA Note may therefore fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the Collateral, interest rates, the creditworthiness of the Reference Entities in relation to the Portfolio Credit Default Swap, the creditworthiness of RASA Limited and the creditworthiness of Deutsche Bank, as the swap counterparty. This may impact the respective net asset values of the sub-funds.

Interest rate risk

Investments of the sub-funds will be indirectly subject to the usual risks of investing in bonds and other fixed income securities as RASA Limited will invest the proceeds received from the issue of the RASA Note to purchase high grade fixed income securities issued by at least three different issuers. Unitholders should note that bonds and other fixed income securities are subject to interest rate fluctuations. Investments in fixed income securities may be subject to an unanticipated rise in interest rates, which may impair the ability of the issuer to make payments of interest and principal.

Risk of final maturity extension

Unitholders will be required to hold their investment in the sub-funds for the entire investment tenure from the relevant start dates of the Sub-funds in order that they may enjoy the 100% capital protection and the full benefit of the relevant payouts. Unitholders seeking to realise their units prior to the relevant maturity date may run the risk of losing part of their investment in the Sub-funds and consequently, an investment in the Sub-funds should be regarded as a long term investment. As the relevant maturity date will be tied to the maturity date of the RASA Note, unitholders should note that the investment tenure of the Sub-funds may be extended in the event the maturity date of the RASA Note is extended. If Deutsche Bank, in its capacity as the calculation agent, determines in its sole discretion that there has been an occurrence of certain specified events, the maturity date of the RASA Note may be extended beyond its scheduled maturity date.

Early redemption risk

Although the investment tenure of the sub-funds is 5 years from the relevant start dates, unitholders should note the risk of early redemption of the RASA Note upon certain specified events occurring. The sub-funds may be terminated prior to the relevant maturity dates in such event (an "Early Redemption Event"). Payments of the minimum specified interest and principal redemption in respect of the RASA Note to the Sub-funds is, inter alia, conditional on the RASA Note maturing as scheduled.

Any early redemption of the RASA Note upon an Early Redemption Event may result in early termination unwind costs being incurred. The Manager may also, where the Manager considers it to be in the interest of holders, procure that Deutsche Bank unwind the RASA Note. This may result in the sub-funds not being able to fulfill their investment objectives.

Managed portfolio

The Manager may also, where the Manager considers it to be in the interest of holders, substitute existing Reference Entities with new Reference Entities (each such substitution,

a “Replacement”). Replacements may give rise to trading losses or trading gains, as determined by the calculation agent. Trading losses will decrease the loss protection level and Replacements may affect the likelihood of the reference portfolio being subject to Credit Events.

13. Financial Ratios

	2007 %	2006 %
PRU Monthly Income Plan		
Expense ratio (Note 1)	1.56	1.62
Turnover ratio	23.71	47.29
<hr/>		
Yield 15		
Expense ratio (Note 1)	1.03	1.03
Turnover ratio	-	-
<hr/>		
Yield 20		
Expense ratio (Note 1)	1.04	1.04
Turnover ratio	-	-
<hr/>		

The expenses used in calculating the “Ratio of expenses to average net assets” at the sub-fund level include expenses such as management fees (net of rebate), registration fees, trustees’ fees, custody fees, audit fees and other expenses incurred by the sub-fund. For feeder funds, the ratio of expenses is determined after taking into account the expenses of the underlying sub-fund.

Important Information

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. 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 is not necessarily indicative of the future 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 Prudential Asset Management (Singapore) Limited 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.

Prudential Asset Management (Singapore) Limited is an indirect subsidiary of Prudential plc of the United Kingdom. Prudential Asset Management (Singapore) Limited 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.

1. The name of the sub-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; or (c) capital of the Sub-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 PRU Monthly Income Plan, 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.
2. The Yield 15 and Yield 20 is no longer available for subscription. Investors will have to hold their investments in the Yield 15 and Yield 20 for the entire investment tenure of 5 years before they may benefit from the 100% capital protection. If investors realise their units before the Funds mature, the realisation price will be based on the prevailing net asset value, which can vary according to market fluctuations, and may be less than the capital protected value per unit at maturity. The 100% capital protection and the payouts are provided for by debt securities and derivative transactions employed as part of the investment approach of the Yield 15 and Yield 20 and not backed by a guarantee. Investors may lose part or all of their investment in the Yield 15 and Yield 20 in the event 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, 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, no guarantee is given that investors will receive the capital protected value at maturity or the payouts at each Anniversary Date and the value of units and the income accruing to the units in the Yield 15 and Yield 20, if any, may fall or rise.