PRUDENTIAL FUNDS

– PRU MONTHLY INCOME PLAN

– PRU 3PLUS

SEMI-ANNUAL REPORTS
For the half year ended 30 June 2010

UNAUDITED FINANCIAL STATEMENTS
For the half year ended 30 June 2010

PRUDENTIAL
Asset Management

PRUDENTIAL FUNDS

Manager
Prudential Asset Management
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Prudential Tower
Singapore 049712
(Company Registration No. 199407631H)

Directors of the Manager
Graham David Mason (Appointed on 4 May 2010)
Guy Robert Strapp
Julian Christopher Vivian Pull

Trustee
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(Singapore) Limited
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Singapore 049320
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Auditors
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Singapore 048581

Solicitors to the Manager
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Singapore 048542

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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 absolute 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-funds 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 shares rose by 4.4% and 4.5% (bid-to-bid basis with net dividends reinvested) respectively for the six months ended 30 June 2010 versus its benchmark which gained 0.2%. Since inception, Class A and Class M shares both rose by an annualised 4.5% (bid-to-bid basis with net dividends reinvested) versus its benchmark which gained 0.7%.

Market background

Both US high yield and Asian US dollar denominated credit bond performance was strong in the first quarter of 2010 on the back of strong liquidity and improving macroeconomic and corporate fundamentals. Investor sentiment, however, took a turn in the beginning of May as a significant shift in risk appetite caused a sell-off across global risk assets. US high yield credit spreads widened significantly and erased a sizeable portion of year-to-date gains. Spreads on Asian US dollar denominated credit also widened moderately. However, it was mitigated by a decline in US Treasury bond yield, which resulted in a slight fall in the overall yield for Asian US denominated credit over the first half of 2010. Against this backdrop, Asian USD corporate bonds and US high yield bonds registered gains of 5.66%[1] and 4.37%[2] respectively over the review period. Similarly Asian equities also suffered a sell off (falling 4.86%[3] for the review period) amid an uncertain macro environment.

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1 JP Morgan Asian Composite Index hedged into Singapore dollar terms.
2 Merrill Lynch US High Yield 70% BB-Rated and 30% B-Rated Index hedged into Singapore dollar terms.
3 MSCI AC Far East ex Japan (Total Return Gross) Index in Singapore dollar terms.
All indices information were sourced from Bloomberg.

PRU MONTHLY INCOME PLAN

Factors affecting performance

The rise in value of the Fund over the review period was driven mainly by its core holdings in US high yield and Asian US dollar denominated credit. Its holdings in select Asian high yielding equities also contributed positively to the Fund's returns.

Key changes to the portfolio

Throughout the review period, the Fund had broadly maintained its asset allocation strategy of a slightly lower allocation to US high yield credit (average 46% of the Fund) relative to Asian US dollar denominated bonds (approximately 50%). The fund manager had also maintained a 3% tactical holding into select high-yielding Asian equities.

Outlook

The fund manager continues to express a more cautious view on the credit markets by maintaining a slightly lower allocation to US high yield bonds relative to Asian US dollar denominated bonds. In her opinion, the current credit spreads probably provide sufficient, but no longer exceptional compensation for expected defaults, based on historical experience. Credit markets have now normalised, and going forward, are unlikely to offer investors the strong double-digit annual return registered in 2009. Nevertheless, the additional carry on US dollar denominated corporate bonds over cash is still substantial, especially for Singapore dollar (SGD) based investors. Based on the fund manager's assumption of a benign macro environment, credit markets are likely to continue to offer decent single digit returns. Fundamental improvement in the credit markets are evident as seen in the declining corporate default rates, the slow-down in rating downgrades, as well as still healthy availability of investor liquidity and demand for new corporate bond issuances. The Fund targets to be almost fully invested, maintaining minimum cash holding to meet redemptions. It will also target a 3% holding in high dividend-yielding equities, driven mainly by bottom up stock ideas. The fund manager will continue to fully hedge all the US dollar credit investment into SGD to protect returns in SGD terms. This is a low-cost safeguard in the fund manager's view as the current cost of hedging US dollar into SGD (up to 1 year) is negligible due to the convergence of USD-SGD short rates.

PRU MONTHLY INCOME PLAN

Fund Performance
(As at 30 June 2010)

Fund / Benchmark	**3 months %**	**6 months %**	**1 year %**	**3 years %**	**5 years %**	**Since inception+ %**
			(average annual compounded return)			
PRU Monthly Income Plan – Class A	0.9	4.4	17.5	2.5	4.5	4.5
PRU Monthly Income Plan – Class M	0.9	4.5	17.5	2.6	4.5	4.5
12-month SGD Fixed Deposit Rate	0.1	0.2	0.5	0.7	0.7	0.7

Source: Prudential Asset Management (Singapore) Limited, benchmark values were calculated using rates published on the MAS website. The return is in S$, and calculated on a bid-to-bid basis with net dividends reinvested.

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 11 Jan 10, 10 Mar 10, 12 Apr 10, 10 May 10 and 10 Jun 10. 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 10 Feb 10.

Class A has distribution payout of 5 cents per Class A Unit (i.e. 5% computed based on the initial issue price of S$1.00) on 10 Feb 10.

+ 1 February 2005.

Past performance is not necessarily indicative of the future performance of the PRU Monthly Income Plan.

PRU MONTHLY INCOME PLAN
(As at 30 June 2010)

Exposure to Derivatives

	Fair Value at 30 Jun 10	Percentage of total net assets attributable to unitholders at 30 Jun 10	Net Unrealised Gains/ (Losses)	Net Realised Gain/ (Losses)
Types of Derivatives	**SGD**	**%**	**SGD**	**SGD**
Forward Foreign Exchange Contracts	(396,695)	(0.25)	(396,695)	1,576,582

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

The PRU Monthly Income Plan invests SGD 78,267,995 and SGD 72,577,969 equivalent to 50.09% and 46.45% of its net asset value attributable to unitholders, in International Opportunities Funds - Asian Bond and International Opportunities Funds - US High Yield Bond respectively.

Borrowings

Nil.

Related Party Transactions

The PRU Monthly Income Plan invests SGD 78,267,995 and SGD 72,577,969 equivalent to 50.09% and 46.45% of its net asset value attributable to unitholders, in International Opportunities Funds - Asian Bond and International Opportunities Funds - US High Yield Bond respectively. One of the directors of the International Opportunities Funds, an open-ended investment company registered in Luxembourg, is also a director of Prudential Asset Management (Singapore) Limited.

Refer as well to Note 10 of the “Notes to the Financial Statements”.

Total Subscriptions and Redemptions for the period ended 30 June 2010

	SGD
Subscriptions	11,416,893
Redemptions	(12,721,284)

Annualised Expense Ratio**

1.43% (2009: 1.52%)

*** 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

1.92% (2009: 4.46%)

PRU MONTHLY INCOME PLAN

Soft Dollar Commission

The soft dollar arrangements may include specific advice as to the advisability of dealing in, or as to the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses data and quotation services, computer hardware and software or any other information facilities to the extend that they are used to support the investment decision making process, the giving of advice, the conduct of research or analysis, or analysis of trade execution, and custodial service in relation to the investments managed for clients. Soft-dollar commissions/arrangements shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

Soft dollar arrangements have been undertaken by Prudential Asset Management (Singapore) Limited ("PAMS") in respect of the Fund. The soft dollar arrangements relate essentially to the use of an analytical tool provided by a broker, ITG Hong Kong Limited ("ITG HK") for the purpose of assessing and monitoring the efficiency of trade execution. PAMS also uses an execution management system provided by ITG HK. This system enhances current equity order management workflows by increasing functionality with regard to live market data, pre and post-trade execution analytics and access to broker algorithm trading strategies. The said broker has also executed trades for other schemes managed by PAMS.

PAMS confirms that the goods and services received were for the benefits of the funds, trades were executed at the best available terms, taking into account the relevant market at the time for transactions of the kind and size concerned, and there was no churning of trades.

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

Nil.

PRU MONTHLY INCOME PLAN

Top 10 Holdings
(As at 30 June 2010)

	Market Value SGD	% of Net Assets ***
International Opportunities Funds: Asian Bond Class D	78,267,995	50.09
International Opportunities Funds: US High Yield Bond Class D	72,577,969	46.45
China Minzhong Food Corporation Ltd	392,940	0.25
Singapore Post Ltd	365,120	0.23
Parkway Life Reit	360,450	0.23
StarHub Ltd	344,960	0.22
M1 Ltd	325,280	0.21
Singapore Telecommunications Ltd	299,970	0.19
Singapore Press Holdings Ltd	291,060	0.19
CapitalMall Trust Reit	288,880	0.18

Top 10 Holdings
(As at 30 June 2009)

	Market Value SGD	% of Net Assets ***
International Opportunities Funds: Asian Bond Class D	67,888,148	47.94
International Opportunities Funds: US High Yield Bond Class D	62,478,680	44.12
StarHub Ltd	354,480	0.25
Singapore Press Holdings Ltd	350,760	0.25
Singapore Telecommunications Ltd	315,880	0.22
Venture Corporation Ltd	293,160	0.21
Frasers Centrepoint Trust	254,310	0.18
Parkway Life Reit	247,900	0.18
Sembcorp Industries Ltd	247,640	0.17
Macquarie International Infrastructure Fund Ltd	246,725	0.17

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

PRU MONTHLY INCOME PLAN

Schedule of Investments
(As at 30 June 2010)

	Market Value SGD	% of Net Assets ***
Country		
Luxembourg	150,845,964	96.54
Malaysia	590,660	0.38
Singapore	4,794,667	3.06
Industry		
Electronic	240,840	0.15
Entertainment	668,837	0.43
Food	562,829	0.36
Investment	256,608	0.16
Investment funds	152,693,004	97.72
Public utilities	212,883	0.14
Real Estate	260,960	0.17
Telecom service	970,210	0.62
Transport	365,120	0.23
Asset Class		
Equities	3,538,287	2.26
Investment in Underlying Funds	152,693,004	97.72
Other Net Assets	31,679	0.02

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

INTERNATIONAL OPPORTUNITIES FUNDS - ASIAN BOND

Top 10 Holdings
(As at 30 June 2010)

	Market Value USD	% of Net Assets***
Petronas Capital Ltd 5.25% 12/8/2019	13,665,366	1.59
Petronas Capital Ltd 7% 22/5/2012	13,601,170	1.58
Philippine Government International Bond 7.75% 14/1/2031	11,587,500	1.35
Philippine Government International Bond 9.5% 2/2/2030	11,303,813	1.32
Penerbangan Malaysia BD 5.625% 15/3/2016	11,199,718	1.30
Gain Silver Finance 6.375% 25/8/2016	9,747,071	1.13
Korea Development Bank 8% 23/1/2014	9,564,430	1.11
Philippine Government International Bond 10.625% 16/3/2025	9,448,375	1.10
HKCG Finance Ltd 6.25% 7/8/2018	9,319,321	1.08
Hutchison Whampoa International 09/16 4.625% 11/9/2015	9,294,269	1.08

Top 10 Holdings
(As at 30 June 2009)

	Market Value USD	% of Net Assets***
Hutchison Whampoa International 03/13 Ltd 6.5% 13/2/2013	21,918,685	2.95
Philippine Government International Bond 9.5% 2/2/2030	15,128,750	2.03
MGTI Finance Co., Ltd (Cayman) 8.375% 15/9/2010	14,434,152	1.94
Petronas Capital Ltd 7% 22/5/2012	13,728,289	1.85
Philippine Government International Bond 7.75% 14/1/2031	12,600,000	1.69
PCCW-HKT Capital Ltd 8% 15/11/2011	12,600,000	1.69
Indonesia Government International Bond 6.875% 17/1/2018	11,400,000	1.53
Philippine Government International Bond 10.625% 16/3/2025	11,243,250	1.51
Philippine Long Distance Telephone Co. 8.35% 6/3/2017	10,868,000	1.46
Land Bank of Philippines FRN 19/10/2016	10,848,000	1.46

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

INTERNATIONAL OPPORTUNITIES FUNDS - ASIAN BOND

Annualised Expense Ratio *

0.05% (2009: 0.06%)

** 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

38.45% (2009: 16.09%)

INTERNATIONAL OPPORTUNITIES FUNDS - US HIGH YIELD BOND

Top 10 Holdings
(As at 30 June 2010)

	Market Value USD	% of Net Assets***
BNY Mellon Universal USD Liquidity Class B	11,645,942	3.89
Sprint Capital Corp. 6.875% 15/11/2028	7,885,350	2.63
HCA, Inc 9.625% 15/11/2016	7,878,410	2.63
EL Paso Corporation 7.75% 15/1/2032	4,470,370	1.49
Boston Scientific Corp 6% 15/1/2020	4,461,233	1.49
CSC Holdings, Inc. (United States) 8.5% 15/4/2014	4,188,953	1.40
JPMorgan Chase & Co 7.9% 29/4/2049	4,110,760	1.37
Ford Motor Credit Co LLC 8.125% 15/1/2020	3,778,317	1.26
Dish DBS Corp 7.875% 1/9/2019	3,735,680	1.25
Liberty Mutual Group 7.8% 15/3/2037	3,548,750	1.18

Top 10 Holdings
(As at 30 June 2009)

	Market Value USD	% of Net Assets***
Freeport-McMoRan Copper & Gold, Inc. 8.375% 1/4/2017	7,550,208	2.40
HCA, Inc. (DE) 9.625% 15/11/2016	7,160,518	2.27
Sprint Capital Corp. 6.875% 15/11/2028	6,786,180	2.15
Dynegy Holdings, Inc. 7.75% 1/6/2019	6,719,738	2.13
Lennar Corp. 5.6% 31/5/2015	6,457,500	2.05
AES Corp. (The) 8% 15/10/2017	6,045,000	1.92
CSC Holdings, Inc. (United States) 8.5% 15/4/2014	5,939,010	1.89
Bank of New York Mellon Liquidity	5,738,207	1.82
PNC Preferred Funding Trust I FRN Perpetual	5,684,770	1.80
Edison Mission Energy 7% 15/5/2017	5,655,576	1.80

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

INTERNATIONAL OPPORTUNITIES FUNDS - US HIGH YIELD BOND

Annualised Expense Ratio *

0.05% (2009: 0.06%)

** 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

109.42% (2009: 123.11%)

PRU 3PLUS

Investment Objective

The investment objective of the PRU 3Plus (“the Fund”) is to seek to provide investors with:

(i) principal repayment on the Maturity Date (as defined below); and
(ii) a payout of 3.2%* of the Initial Offer Price per Unit held by each Holder as at each Anniversary Date (each referred to as a “Payout”)

(* This was increased from the 3% stated in the prospectus)

The Fund has a fixed term (the “investment tenure”) commencing on 20 August 2008 (the “Start Date”) and continue for a fixed period of 3 years until 20 August 2011 (or if such date does not fall on a Business Day, the next Business Day) (“Maturity Date”).

“Anniversary Date” means 20 August 2009, 20 August 2010 (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 and notify to the Trustee and Holders).

Manager’s Commentary

Fund performance

The PRU 3Plus’s NAV per unit was S$0.775 as at 30 June 2010, up from S$0.711 as at 31 December 2009.

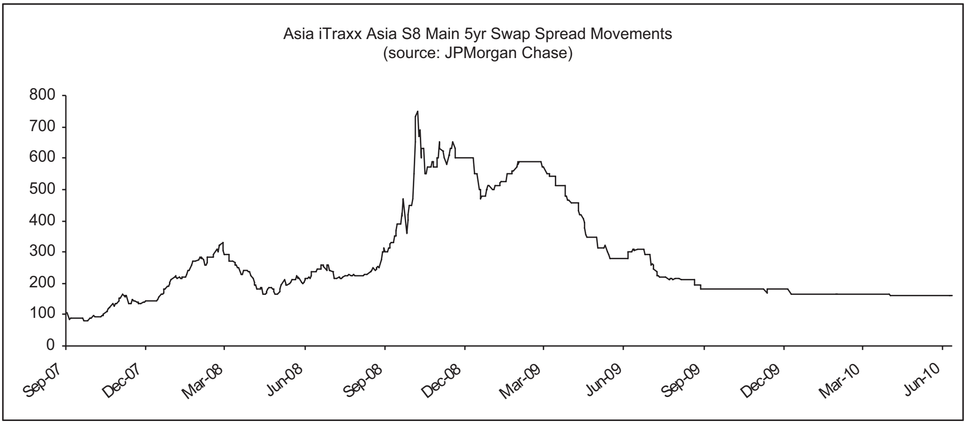
Market background

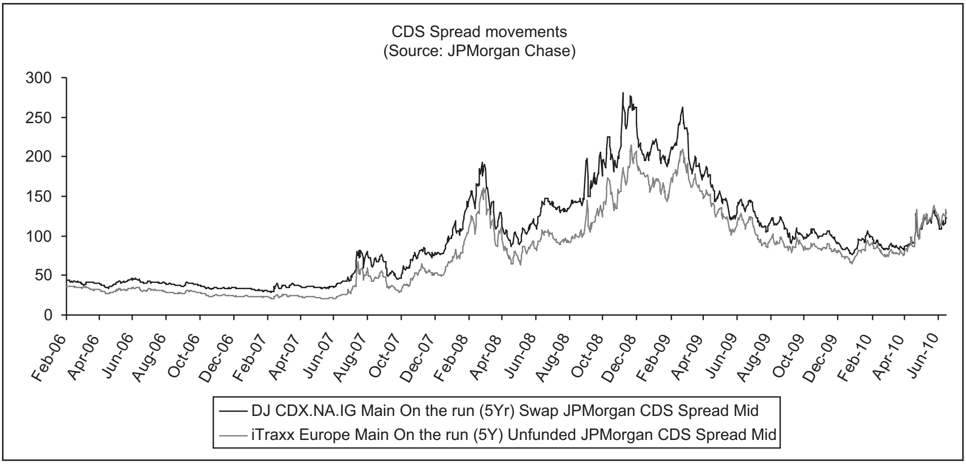
Investors were spooked by European sovereign debt woes and lacklustre US economic data released during the end of H2 2010. This sparked fears that an economic double dip scenario could be a more probable scenario than previously thought. Market was also jittery over the possible outcome of the stress tests that would be carried out on European banks in July this year.

The reduction in risk appetite led to credit spreads widening in May as investors preferred to stay on the sidelines pending clearer market signals.

Below are the graphs for Credit Derivatives Index (“CDX”) for US, Europe and Asia illustrating the movement of credit spreads.

PRU 3PLUS





Source: JP Morgan Chase and Prudential Asset Management (Singapore) Limited, as at end June 2010

Note: The graphs above are included for illustrative purposes only. Please note that there are limitations to the use of such indices as proxies for past performance in the respective asset classes or sectors. The historical performance presented in these graphs are not indicative of and should not be construed as being indicative of or otherwise used as a proxy for the future or likely performance of the Fund. Any projection or forecast is not necessarily indicative of the future or likely performance of the Fund.

PRU 3PLUS

Factors affecting performance

The improvement in the Fund's NAV in 2010 can be attributed primarily to the shorter term-to-maturity of the Notes.

Key changes to the portfolio

The subordination has decreased from 2.221% as at 31 December 2009 to 1.921% as at 30 June 2010 following the default of AIFUL Corporation and Ambac Assurance Corporation.

As at 30 June 2010, the Notes invested in by the Fund was rated "BB" by Standard & Poor's ("S&P").

Outlook

The widening of credit spreads in second quarter reflected a decline in risk appetite rather than an increase in default risk. Corporate performance has improved following the near economic collapse last year. Despite sluggish economic conditions, there are little signs to suggest that improved corporate performance may reverse quickly despite market volatility.

We aim to maintain the current subordination but this is not guaranteed and subject to Credit Events. The occurrence of a Credit Event in relation to a Reference Entity comprises in the Reference Portfolio could result in the loss of a substantial portion or all of the Fund's investment in the Note(s).

PRU 3PLUS

Fund Performance
(As at 30 June 2010)

Fund	3 months %	6 months %	1 year %	Since inception+ %
			(average annual compounded return)	
PRU 3Plus	-3.49	9.00	63.85	-12.80

Source: Prudential Asset Management (Singapore) Limited. The return is in S$ and calculated on a bid-to-bid basis without taking into account the payout at each anniversary date.

PRU 3Plus has a distribution payout of 3.2% of the Initial Offer Price per Unit (i.e. 3.2 cents computed based on the initial issue price per unit of $1.00) on 3 Sep 09.

+ 20 August 2008.

Past performance is not necessarily indicative of the future performance of the PRU 3Plus.

Schedule of Investments
(As at 30 June 2010)

Notes	Holdings (units)	Market Value SGD	% of Net Assets***
Ireland			
Silk Road Plus plc # 13 Series EMTN 5.1% due 20/08/2011**	8,009,000	6,382,482	23.21
Silk Road Plus plc # 14 Series EMTN 5.1% due 20/08/2011**	8,445,000	6,729,936	24.48
Silk Road Plus plc # 15 Series EMTN 5.1% due 20/08/2011**	7,609,000	6,063,658	22.05
Silk Road Plus plc # 16 Series EMTN 5.1% due 20/08/2011**	8,940,000	7,124,408	25.91
Total Investments		26,300,484	95.65
Other Net Assets		1,195,122	4.35
Net Assets Attributable to Unitholders		27,495,606	100.00

*** The credit rating of these Silk Road Plus plc notes as at 30 June 2010 is BB (S&P).*
**** Any differences in the percentage of the Net Asset figures are the result of rounding.*

PRU 3PLUS

Schedule of Investments
(As at 30 June 2009)

Notes	Holdings (units)	Market Value SGD	% of Net Assets***
Ireland			
Silk Road Plus plc # 13 Series EMTN 5.1% due 20/08/2011**	8,009,000	3,979,782	22.42
Silk Road Plus plc # 14 Series EMTN 5.1% due 20/08/2011**	8,445,000	4,196,436	23.64
Silk Road Plus plc # 15 Series EMTN 5.1% due 20/08/2011**	7,930,000	3,940,526	22.20
Silk Road Plus plc # 16 Series EMTN 5.1% due 20/08/2011**	8,940,000	4,442,408	25.03
Total Investments		16,559,152	93.29
Other Net Assets		1,191,349	6.71
Net Assets Attributable to Unitholders		17,750,501	100.00

*** The credit rating of these Silk Road Plus plc notes as at 30 June 2009 is BBB- (S&P).*
**** Any differences in the percentage of the Net Asset figures are the result of rounding.*

PRU 3PLUS

(As at 30 June 2010)

Exposure to Derivatives

PRU 3Plus has a net asset value of SGD 26,300,484 (equivalent to 95.65% of its total net asset value attributable to unitholders) invested in Silk Road Plus plc #13, #14, #15 and #16 Series due on 20/08/2011.

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

Nil.

Borrowings

Nil.

Related Party Transactions

Refer to Note 10 of the "Notes to the Financial Statements".

Total Redemptions for the period ended 30 June 2010

	SGD
Redemptions	(162,130)
Subscriptions	Not applicable

Note : PRU 3Plus is no longer available for subscription.

Annualised Expense Ratio*

1.92% (2009: 1.74%)

** 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 (2009: Nil)

Soft Dollar Commission

Not applicable

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

Nil.

FINANCIAL STATEMENTS
For the year ended 30 June 2010

	Note	PRU Monthly Income Plan		PRU 3Plus	
		Financial period from 01/01/2010 to 30/06/2010	Financial period from 01/01/2009 to 30/06/2009	Financial period from 01/01/2010 to 30/06/2010	Financial period from 01/01/2009 to 30/06/2009
		S$	S$	S$	S$
Income					
Dividend		121,739	206,100	-	-
Interest		690	-	769	-
		122,429	206,100	769	-
Less: Expenses					
Management fees		968,267	865,785	279,735	279,735
Registration fees		7,940	10,174	5,000	5,000
Trustees' fees		30,985	27,687	-	-
Custody fees		830	1,343	-	-
Audit fees		4,724	5,973	-	-
Others		49,360	26,856	3,333	3,333
		1,062,106	937,818	288,068	288,068
Net losses		(939,677)	(731,718)	(287,299)	(288,068)
Net gains or losses on value of investments					
Net realised gains/(losses) on investments sold		1,029,112	(1,599,401)	(37,226)	(9,912)
Net change in fair value on investments		5,518,109	24,517,213	2,271,752	8,148,610
Net realised gains/(losses) on financial derivatives		1,576,582	(5,066,063)	-	-
Net change in fair value on financial derivatives	7	(396,695)	3,955,106	-	-
Net foreign exchange (losses)/gains		(9,516)	23,724	-	-
Net gains on value of investments		7,717,592	21,830,579	2,234,526	8,138,698
Total return for the period before income tax		6,777,915	21,098,861	1,947,227	7,850,630
Less : Income tax	3	8,693	16,032	-	-
Total return for the period after income tax before distribution		6,769,222	21,082,829	1,947,227	7,850,630
Less: Distribution		4,748,397	4,797,339	-	-
Total return for the period		2,020,825	16,285,490	1,947,227	7,850,630

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

Balance Sheet
As at 30 June 2010

	Note	PRU Monthly Income Plan		PRU 3Plus	
		30/06/2010	31/12/2009	30/06/2010	31/12/2009
		S$	S$	S$	S$
Assets					
Portfolio of investments		156,231,291	152,140,787	26,300,484	24,229,732
Prepaid expenses	4	-	-	641,381	921,116
Receivables	5	348,989	524,517	83,915	102
Cash and bank balances		1,292,218	4,474,048	587,021	583,170
Financial derivatives, at fair value	7	109,500	-	-	-
Total assets		157,981,998	157,139,352	27,612,801	25,734,120
Liabilities					
Payables	6	1,212,833	904,435	117,195	23,611
Financial derivatives, at fair value	7	506,195	688,381	-	-
Net assets attributable to unitholders	8	156,262,970	155,546,536	27,495,606	25,710,509
Total liabilities		157,981,998	157,139,352	27,612,801	25,734,120

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

	PRU Monthly Income Plan		
	Holdings 30/06/2010 (units)	**Fair value 30/06/2010 (S$)**	**Percentage of total net assets attributable to unitholders 30/06/2010 (%)**
By Geography* - Primary			
Unquoted investment funds			
Luxembourg			
International Opportunities Funds:			
Asian Bond Class D	3,751,464	78,267,995	50.09
US High Yield Bond Class D	4,287,877	72,577,969	46.45
		150,845,964	96.54
Quoted investment funds			
Singapore			
Ascendas Real Estate Investment Trust	155,000	282,100	0.18
Cache Logistics Trust Reit	234,000	229,320	0.15
CapitalMall Trust Reit	157,000	288,880	0.18
Cityspring Infrastructure Trust	257,000	151,630	0.10
Frasers Centrepoint Trust	218,000	281,220	0.18
Parkway Life Reit	267,000	360,450	0.23
Suntec Reit	192,000	253,440	0.16
		1,847,040	1.18

** Geography classification is based on the country of incorporation of the entities/issuers of debt securities.*

	PRU Monthly Income Plan		
	Holdings 30/06/2010 (units)	**Fair value 30/06/2010 (S$)**	**Percentage of total net assets attributable to unitholders 30/06/2010 (%)**
By Geography* - Primary *(continued)*			
Quoted shares			
Malaysia			
Genting Malaysia	112,000	131,853	0.08
Tanjong PLC	32,700	245,924	0.16
Tenaga Nasional Bhd	58,700	212,883	0.14
		590,660	0.38
Singapore			
ARA Asset Management Ltd	237,600	256,608	0.16
Bukit Sembawang Estates Ltd	56,000	260,960	0.17
China Minzhong Food Corporation Ltd	333,000	392,940	0.25
M1 Ltd	152,000	325,280	0.21
Pacific Andes Resources Development Ltd	566,296	169,889	0.11
Singapore Post Ltd	326,000	365,120	0.23
Singapore Press Holdings Ltd	77,000	291,060	0.19
Singapore Telecommunications Ltd	99,000	299,970	0.19
StarHub Ltd	154,000	344,960	0.22
Venture Corporation Ltd	27,000	240,840	0.15
		2,947,627	1.88
Portfolio of investments		156,231,291	99.98
Other net assets		31,679	0.02
Net assets attributable to unitholders		156,262,970	100.00

** Geography classification is based on the country of incorporation of the entities/issuers of debt securities.*

	PRU Monthly Income Plan	
	Percentage of total net assets attributable to unitholders	
	30/06/2010 (%)	31/12/2009 (%)
By Geography* (summary) - Primary		
Luxembourg	96.54	94.38
Malaysia	0.38	0.39
Singapore	3.06	3.04
Portfolio of investments	99.98	97.81
Other net assets	0.02	2.19
Net assets attributable to unitholders	100.00	100.00

** Geography classification is based on the country of incorporation of the entities/issuers of debt securities.*

	PRU Monthly Income Plan		
	Fair value 30/06/2010 (S$)	Percentage of total net assets attributable to unitholders 30/06/2010 (%)	31/12/2009 (%)
By Industry - Secondary			
Electronic	240,840	0.15	0.06
Engineering	-	-	0.22
Entertainment	668,837	0.43	0.44
Food	562,829	0.36	0.17
Investment	256,608	0.16	0.37
Investment funds	152,693,004	97.72	95.44
Public utilities	212,883	0.14	0.13
Real estate	260,960	0.17	0.18
Telecom services	970,210	0.62	0.59
Transport	365,120	0.23	0.21
Portfolio of investments	156,231,291	99.98	97.81
Other net assets	31,679	0.02	2.19
Net assets attributable to unitholders	156,262,970	100.00	100.00

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

	PRU 3Plus			
			Percentage of total net assets attributable to unitholders	
By Geography* - Primary	Holdings 30/06/2010 (units)	Fair value 30/06/2010 (S$)	30/06/2010 (%)	31/12/2009 (%)
Unquoted notes				
Ireland				
Silk Road Plus plc # 13 Series	8,009,000	6,382,482	23.21	22.73
Silk Road Plus plc # 14 Series	8,445,000	6,729,936	24.48	23.97
Silk Road Plus plc # 15 Series	7,609,000	6,063,658	22.05	22.17
Silk Road Plus plc # 16 Series	8,940,000	7,124,408	25.91	25.37
Portfolio of investments		26,300,484	95.65	94.24
Other net assets		1,195,122	4.35	5.76
Net assets attributable to unitholders		27,495,606	100.00	100.00

** Geography classification is based on the country of incorporation of the entities/issuers of debt securities.*

Notes issued by Silk Road Plus Public Limited Company (“Silk Road Plus plc”) are under the Silk Road Plus US$50,000,000,000 Limited Recourse Secured Debt Issuance Program. The proceeds received by Silk Road Plus plc are used to purchase fixed income securities which include:

1. SGD 8,064,000 nominal amount bond issued by Australia and New Zealand Banking Group Limited.
2. SGD 8,500,000 nominal amount bond issued by Commonwealth Bank of Australia.
3. SGD 8,000,000 nominal amount issued by Lloyds TSB Bank plc.
4. SGD 9,000,000 nominal amount issued by Westpac Banking Corporation.

These securities form the Collateral for Silk Road Plus plc’s obligation under the Notes and the derivative transactions entered into with Merrill Lynch International. Merrill Lynch International quotes an unwinding price for the Notes. Silk Road Plus plc entered into credit default swap agreement(s) (the “Credit Default Swap(s)”) with Merrill Lynch International (the “Swap Counterparty”) under which the Swap Counterparty buys credit protection in respect of a basket of corporate, financial institution and/or sovereign reference entities (the “Reference Portfolio”) from Silk Road Plus plc. The investors of PRU 3Plus are therefore exposed to the losses resulting from the occurrence of Credit Events as defined in the Prospectus of PRU 3Plus in respect of the underlying Reference Portfolio under the Credit Default Swap(s).

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

	PRU 3Plus		
		Percentage of total net assets attributable to unitholders	
By Industry - Secondary	**Fair value 30/06/2010 (S$)**	**30/06/2010 (%)**	**31/12/2009 (%)**
Financial institutions	26,300,484	95.65	94.24
Other net assets	1,195,122	4.35	5.76
Net assets attributable to unitholders	27,495,606	100.00	100.00

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

1. Principal Activities

Prudential Funds ("the Fund") is an umbrella unit trust constituted pursuant to a Trust Deed dated 10 January 2005 and Supplemental Deeds between Prudential Asset Management (Singapore) Limited ("the Manager") and HSBC Institutional Trust Services (Singapore) Limited ("the Trustee"). The Deed of Trust and Supplemental Deeds are governed by the laws of the Republic of Singapore. As at 30 June 2010, the Fund had the following sub-funds:

Sub-fund	Commencement date	Maturity date	Underlying investments
PRU Monthly Income Plan	01 February 2005	-	International Opportunities Funds - Asian Bond - US High Yield Bond Other Asia Pacific investments
PRU 3Plus	20 August 2008	20 August 2011	Silk Road Plus plc #13, #14, #15 and #16 series

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 have been presented to show the combined financial results of Class A and Class M.

The sub-fund, PRU 3Plus invests all or substantially all its assets in the limited recourse secured fixed rate credit-linked notes (the "Note(s)") arranged by Merrill Lynch International ("Merrill Lynch") and issued by Silk Road Plus Public Limited Company ("Silk Road Plus plc"), a limited recourse special purpose vehicle incorporated in the Republic of Ireland.

The sub-funds, Yield 15 and Yield 20, matured on 10 June 2010 on which date all investments were liquidated. Hence, they are not presented in this set of financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements are expressed in Singapore dollars. These financial statements are prepared in accordance with the historical cost convention, as modified by the revaluation of investments and financial derivatives, 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.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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 (“the Code”) under the Securities and Futures Act (Chapter 289).

2.2 Recognition of income

Dividend income is recognised when declared. Interest income is recognised as it accrues, using the effective interest method.

2.3 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.

2. Summary of significant accounting policies *(continued)*

2.3 Distribution policy *(continued)*

PRU 3Plus

The Manager intends to make a payout of 3.2% of the initial offer price per Unit of S$1.00 held by each unitholder as at each Anniversary Date.

"Anniversary Date" means 20 August 2009, 30 August 2010 (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.

2.4 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.

PRU 3Plus

Investments in limited recourse secured fixed rate credit-linked notes issued by Silk Road Plus plc (the "Silk Road Notes") for the sub-fund, PRU 3Plus are initially recognised at cost and are subsequently re-measured at the fair values calculated by the arranger of the Silk Road Notes.

The fair values of the Silk Road Notes reflect the fair value of the underlying portfolio credit default swap between Merrill Lynch International and Silk Road Plus plc as well as the value of the underlying collateral. There is currently no liquid market for the Silk Road Notes, the underlying collateral or the underlying portfolio credit default swap and thus such valuations may be volatile and may differ substantially from what other reasonable market participants may deem their values to be.

The valuation for the Silk Road Notes may be influenced by a number of factors, including but not limited to: the level of credit spreads for the reference entities in the underlying reference portfolio, the level of interest rates, correlation assumptions and other modelling assumptions which may or may not be directly observable from market inputs, the value of the underlying collateral as well as other market variables which the arranger of the Silk Road Notes may deem necessary.

2. Summary of significant accounting policies *(continued)*

2.4 Investments *(continued)*

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.

2.5 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. For investments at fair value, the unrealised exchange differences are recognised in the net change in fair value on investments in the Statement of Total Return.

2.6 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.

2.7 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.

2.8 Prepaid expenses

In respect to the PRU 3Plus sub-fund, prepaid management fees are stated at cost and amortised on a straight line basis over 3 years through the Statement of Total Return.

Prepaid expenses are excluded by the Manager in the computation of the Net Asset 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	
	30/06/2010 S$	30/06/2009 S$
Singapore withholding tax suffered	7,180	14,063
Overseas tax suffered	1,513	1,969
	8,693	16,032

4. Prepaid Expenses

	PRU 3Plus	
	30/06/2010 S$	31/12/2009 S$
Prepaid expenses deducted upfront		
- Management fees	641,381	921,116
	641,381	921,116

For the PRU 3Plus sub-fund, the amount of S$641,381 (2009: S$921,116) represents prepaid management fees which have been deducted upfront after the initial period of the sub-fund in accordance with the prospectus of the sub-fund.

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

4. Prepaid Expenses *(continued)*

	PRU 3Plus	
	30/06/2010 S$	31/12/2009 S$
Net assets attributable to unitholders per unit for redemption purposes (excluding effect of prepaid expenses)	0.78	0.71
Add: prepaid expenses per unit	0.01	0.03
Net assets attributable to unitholders per unit (including effect of prepaid expenses) (Note 8)	0.79	0.74

5. Receivables

	PRU Monthly Income Plan		PRU 3Plus	
	30/06/2010 S$	31/12/2009 S$	30/06/2010 S$	31/12/2009 S$
Amount receivable from the creation of units	313,772	479,348	-	-
Accrued interest receivables	13	63	180	102
GST receivable	33,646	31,822	-	-
Sales awaiting settlement	-	-	83,735	-
Dividends receivable	1,558	13,284	-	-
	348,989	524,517	83,915	102

6. Payables

	PRU Monthly Income Plan		PRU 3Plus	
	30/06/2010 S$	31/12/2009 S$	30/06/2010 S$	31/12/2009 S$
Payable to unitholders for cancellation of units	469,784	151,924	85,250	-
Accrued expenses	743,049	752,511	31,945	23,611
	1,212,833	904,435	117,195	23,611

7. Fair Value of Financial Derivative Contracts

	PRU Monthly Income Plan					
	Contract or underlying principal amount		Positive fair value		Negative fair value	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009	30/06/2010	31/12/2009
	S$	S$	S$	S$	S$	S$
Forward foreign exchange contracts	150,201,615	139,779,940	109,500	-	506,195	688,381

Financial derivative contracts for PRU Monthly Income Plan comprise forward foreign exchange contracts, executed for the sale and purchase of foreign currencies. The period/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		PRU 3Plus	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009
	S$	S$	S$	S$
At the beginning of financial period/year	155,546,536	123,967,503	25,710,509	9,904,701
Operations				
Change in net assets attributable to unitholders resulting from operations	2,020,825	29,756,104	1,947,227	15,874,236
Unitholders' contributions/ (withdrawals)				
Creation of units	11,416,893	14,449,354	-	-
Cancellation of units	(12,721,284)	(12,626,425)	(162,130)	(68,428)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(1,304,391)	1,822,929	(162,130)	(68,428)
Total increase in net assets attributable to unitholders	716,434	31,579,033	1,785,097	15,805,808
At the end of financial period/year	156,262,970	155,546,536	27,495,606	25,710,509
Net assets attributable to unitholders:				
- Class A	19,708,091	20,407,349		
- Class M	136,554,879	135,139,187		
Total net assets attributable to unitholders	156,262,970	155,546,536		
Units in issue:				
- Class A	20,147,624	20,691,776		
- Class M	142,830,160	143,637,594		
Total units in issue (number)	162,977,784	164,329,370	34,642,668	34,847,668
Net asset attributable to unitholders per unit (S$)			0.79	0.74
- Class A	0.98	0.99		
- Class M	0.96	0.94		

9. Units in Issue

	PRU Monthly Income Plan				PRU 3Plus	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009	30/06/2010	31/12/2009
	Class A		Class M			
Units at beginning of period/year	20,691,776	22,875,728	143,637,594	139,222,781	34,847,668	34,982,668
Units created	3,117,450	2,564,423	8,796,112	14,208,544	-	-
Units cancelled	(3,661,602)	(4,748,375)	(9,603,546)	(9,793,731)	(205,000)	(135,000)
Units at end of period/ year	20,147,624	20,691,776	142,830,160	143,637,594	34,642,668	34,847,668

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. In addition to certain risks stated in the portfolio statement, some of the risks relevant to the Fund's financial instruments are detailed below.

Credit risk

Credit risk is the risk that a 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 with good credit ratings.

11. Financial instruments *(continued)*

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 financial instruments are allowed only with brokers that are of high credit quality. The Manager does 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 PRU 3Plus are Singapore-dollar denominated. These sub-funds will invest in underlying securities which are denominated in foreign currencies where the fluctuations in the relevant exchange rates may have an impact on the income and value of such sub-funds.

The sub-fund, PRU Monthly Income Plan hedges its US dollar denominated assets back to Singapore dollar, to protect the sub-fund's running yield in Singapore dollar.

Fair value

The fair values of the sub-funds' financial assets and liabilities approximate the carrying amounts at balance sheet date. The fair value of the investments in underlying funds and securities are based on the last bid price as at the balance sheet date.

12. Financial ratios

	30/06/2010 %	30/06/2009 %
PRU Monthly Income Plan		
Expense ratio (Note 1)	1.43	1.52
Turnover ratio (Note 2)	1.92	4.46
PRU 3Plus		
Expense ratio (Note 1)	1.92	1.74
Turnover ratio (Note 2)	-	-

Note 1
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 subfund. For feeder funds, the ratio of expenses is determined after taking into account the expenses of the underlying sub-funds.

Note 2
The turnover ratio is the number of times per period that a dollar of assets is reinvested. It is calculated based on the lesser of purchases or sales for the period preceding the reporting date expressed as a percentage of daily average net asset value.

PRUDENTIAL FUNDS

Additional Risks for PRU 3Plus

In the prospectus of the sub-fund, the additional risks to which the sub-funds are exposed to were explained, some of which are summarised below.

The sub-fund, PRU 3Plus invests all or substantially all its assets in the limited recourse secured fixed rate credit-linked notes (the “Note(s)”) arranged by Merrill Lynch International (“Merrill Lynch”) and issued by Silk Road Plus Public Limited Company (“Silk Road Plus”), a limited recourse special purpose vehicle incorporated in the Republic of Ireland.

Silk Road Plus plc purchases fixed income securities which form the Collateral for Silk Road Plus plc’s obligation under the Notes and the derivative transactions entered into with Merrill Lynch. Merrill Lynch quotes an unwinding price for the Notes. Silk Road Plus plc entered into credit default swap agreement(s) (the “Credit Default Swap(s)”) with Merrill Lynch (the “Swap Counterparty”) under which the Counterparty buys credit protection in respect of a basket of corporate, financial institution and/or sovereign reference entities (the “Reference Portfolio”) from Silk Road Plus plc.

Lack of diversification

The Manager has sought and obtained the Monetary Authority of Singapore’s approval to waive the 10% single issuer and 20% group limits for non-specialised funds under Appendix 1 of the Code and the one third issuer limit in the case of a structured product fund under Annex 1a of the Code, as the sub-fund may invest up to 100% of its net asset value in the Notes which form part of the structured product(s), with Merrill Lynch standing ready to unwind the product(s) at prevailing market prices. The sub-fund may therefore be subject to over-concentration risks and as such be exposed to a higher level of risk than portfolios diversifying their holdings across different issuers in accordance with the 10% single party and 20% group limits for non-structured products fund under Appendix 1 of the Code and the one third issuer limit for traditional structured product fund under Annex 1a of the Code. However, as the Notes will purchase four or more fixed income securities, acting as Collateral and will gain exposure to a credit portfolio comprising of 80 to 200 corporate credits via Credit Default Swap(s), the credit worthiness of the Notes of the sub-fund is therefore linked to the credit worthiness of the Collateral that will comply the single issuer limit applicable for a structured product fund under Annex 1a of the Code as well as the Reference Portfolio.

Principal repayment and payouts not guaranteed

The sub-fund aims to provide principal repayment on the maturity date and is not a capital or payout guaranteed fund. The principal repayment for units held until the maturity date and payouts for units held until the respective Anniversary Dates are provided by coupons on the notes and not by any guarantees. No guarantee is given (whether express or implied) that investors will receive the payout on the relevant Anniversary Dates and the principal repayment on the maturity date. Accordingly, investors are exposed to full loss of the principal amount invested in the sub-fund.

PRUDENTIAL FUNDS

Risk in relation to Silk Road Plus and issuers of the Collateral

The Manager's ability to provide the principal repayment on the maturity date and payouts is dependent, amongst others, upon the receipt by Silk Road Plus of monies due on the Collateral, the payment of all sums due from the Swap Counterparty, the principal paying agent and the custodian of the Notes making the relevant payments when received and upon all parties to the transaction documents entered into in relation to the Notes (other than Silk Road Plus) performing their respective obligations thereunder. Accordingly, the sub-fund is exposed, amongst others, to the creditworthiness of the issuers in respect of the Collateral, the Swap Counterparty, the principal paying agent and the custodian of the Notes; and the reference entities comprised in the Reference Portfolio. To the extent therefore that any or all of the issuers of the Collateral fails to make payments in respect of the Collateral held by Silk Road Plus, Silk Road Plus will have insufficient funds available to meets its obligations in respect of the Notes and the sub-fund could lose a substantial portion or all of its investment in the Notes.

Silk Road Plus has its registered office in the Republic of Ireland. As a result there is a rebuttable presumption that its centre of main interest is in the Republic of Ireland and consequently that any main insolvency proceedings applicable to it would be governed by Irish law. Nonetheless, this would ultimately be a matter for the relevant court to decide, based on the circumstances existing at the time when it was asked to make that decision.

If Silk Road Plus becomes subject to an insolvency proceeding and Silk Road Plus has obligations to creditors that are treated under Irish law as creditors that are senior relative to the sub-fund, the sub-fund may suffer losses as a result of their subordinated status during such insolvency proceeding.

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 that the Collateral has to be liquidated prior to its maturity for any reason such as the Reference Portfolio suffers losses, the price obtainable for the Collateral will depend on the liquidity of the Collateral. No assurance can be given in respect of the amount of the liquidation proceeds of the Collateral or any part of it. If there is no market for the Collateral, the price of the Collateral may be deemed as zero, therefore the Notes may be redeemed at zero.

PRUDENTIAL FUNDS

Exposure to the Credit Default Swap(s)

Payments upon redemption (whether at maturity or earlier) and payments of coupon are subject, among other things, to the credit performance of the reference entities and their successors under the Credit Default Swap(s). The occurrence of a credit event in relation to a reference entity comprises in the Reference Portfolio could result in the loss of a substantial portion or all of the sub-fund's investment in the Notes. Investors of the sub-fund should note that, upon the occurrence of a credit event, the recovery rate will be fixed without a valuation auction being held.

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 Notes. Further, when and whether to declare credit events of the reference entities is in the sole discretion of the swap counterparty pursuant to the provisions of the Credit Default Swap(s).

In the event of the occurrence of credit events which result in cumulative losses exceeding the subordination, an amount will become payable by Silk Road Plus under the Credit Default Swap(s) to the swap counterparty. This amount and the costs (if any) associated with the partial termination of the Credit Default s) will be funded by liquidating the Collateral and the proceeds of such liquidation will be paid to the Swap Counterparty in priority to payments due to the sub-fund under the Notes, and therefore Silk Road Plus would not have sufficient funds to redeem the Notes at its principal amount at maturity and to make the coupon payment.

Even if the cumulative losses resulting from the occurrence of credit events do not exceed the subordination, the value of the Notes may still be affected as the Reference Portfolio would be subject to fewer additional credit events having to occur prior to amounts becoming payable under the terms of the Credit Default Swaps. This could lead the subfund to suffer a loss of principal invested in the Notes if the Notes were redeemed early for other reasons.

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 issue date. Accordingly, the sub-fund could be exposed to the additional risks that such reference entities may suffer credit events during the life of the Notes which may or may not have an adverse impact on the return of its investment in the Notes.

Default risk of the Swap Counterparty

Silk Road Plus may also enter into interest rate swap(s) with the Swap Counterparty whereby Silk Road Plus pays the cash flows of the Collateral and receives the cash flows in relation to the Note(s) from the Swap Counterparty (the "Interest Rate Swap(s)"). Default by the Swap Counterparty under the Credit Default Swap(s) and Interest Rate Swap(s) will result in the early redemption of the Notes. If there is an early redemption of the Notes, Silk Road Plus or the Swap Counterparty may be liable to make a termination payment (determined in accordance with the Credit Default Swap(s) and Interest Rate Swap(s)) to the other. If there is an early termination of the Credit Default Swap(s) and Interest Rate Swap(s), and consequently an early redemption of the Notes occurs, there is no assurance that the proceeds from the liquidation of the Collateral plus (if the termination payment is due to Silk Road Plus) or minus (if the termination payment is due to the swap counterparty) such termination payment will be sufficient to repay the principal amount due to be paid in respect of the Notes and any other amounts in respect thereof that may be due.

No recourse to Reference Entities

The Notes do not represent a claim against any reference entity and in the event of any loss, the sub-fund will not have recourse under the Notes to any reference entity. The sub-fund will be exposed to the credit risk of the reference entities.

Limited recourse to Silk Road Plus

Silk Road Plus is incorporated with limited liability in the Republic of Ireland. It is a special purpose company that issues the Notes on a limited recourse basis backed by cashflows from certain assets held by it (comprising the Collateral and its rights under the Credit Default Swap(s) and the Interest Rate Swap(s), if any, entered into in connection with the issue of the Notes). Due to the limited recourse to Silk Road Plus, any claims against Silk Road Plus will therefore be limited to the secured assets relating to the Notes and the secured assets of the Notes will accordingly not be available for any claims against Silk Road Plus by holders of the other series of the Notes which may be issued by Silk Road Plus.

In the event that the secured assets have to be realised, the realisation proceeds may be less than the sums due to the sub-fund, the Swap Counterparty and the Manager. If there is any shortfall, Silk Road Plus shall be under no obligation to pay, and the other assets (if any) of Silk Road Plus including, in particular, assets securing other series of notes or alternative investments of Silk Road Plus will not be available for payment of, such shortfall. All claims in respect of such shortfall shall be extinguished and the subfund, the Swap Counterparty and the Manager shall have no further claim against Silk Road Plus in respect of such unpaid amounts and will accordingly not be able to petition for the winding up of Silk Road Plus as a consequence of such shortfall. Hence such shortfall will be borne by the sub-fund, the Swap Counterparty and the Manager in accordance with the applicable security ranking basis.

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If there are any unforeseen expenses or liabilities (which have not been provided for) arise, Silk Road Plus may be unable to meet them and may default on its obligations under the Notes. In such an event, there is no guarantee that the sub-fund will recover any amounts payable under the Notes and, accordingly, the sub-fund could lose a substantial portion or all of its investment in the Notes.

Credit rating

While credit ratings can be a useful tool for financial analysis, 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.

A rating is not a guarantee of payment and the Notes 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 Notes. A suspension, downgrade or withdrawal of the rating assigned to the Notes may adversely affect the value of the Notes.

Risk of fluctuations in the value of the notes

There can be no assurance that any appreciation in value will occur or that capital value will be preserved. The price of the Notes 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 Credit Default Swap(s), the creditworthiness of Silk Road Plus and the creditworthiness of the Swap Counterparty. This may impact the net asset value of the sub-fund.

Interest rate risk

Investments of the sub-fund will be indirectly subject to the usual risks of investing in bonds and other fixed income securities as Silk Road Plus will invest the proceeds received from the issue of the Notes to purchase fixed income securities. 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, especially if the issuer is highly leveraged. An increase in interest rates may therefore increase the potential for default by the issuers of these securities.

Risk of final maturity extension

Unitholders are required to hold their investment in the sub-fund for the entire investment tenure from the start date of the sub-fund in order that they may enjoy the principal repayment on the maturity date and the full benefit of the payouts.

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Unitholders seeking to realise their units prior to the maturity date may run the risk of losing part of their investment in the sub-fund.

As the maturity date is tied to the maturity date of the Notes, the investment tenure of the sub-fund may be extended in the event the maturity date of the Notes is extended. Merrill Lynch, in its capacity as the Swap Counterparty, determines in its sole discretion that there has been an occurrence of certain specified events, the maturity date of the Notes may be extended beyond their scheduled maturity date.

Early redemption risk

Although the investment tenure of the sub-fund is three years from the start date (which is subject to extension of the maturity date, there is the risk of early redemption of the Notes upon certain specified events occurring, which may lead to the Sub-Fund being terminated prior to the maturity date. The following are examples of circumstances which will lead to early redemption of the Notes: (i) redemption for taxation reasons; (ii) mandatory redemption following payment default under the Collateral; (iii) mandatory redemption following early redemption of the Collateral; (iv) redemption upon termination of a swap agreement which will include (a) redemption other than as a result of counterparty default and (b) redemption as a result of counterparty default; and (v) in the case of the occurrence of events of default as defined in the offer document of the Notes which may include (but not limited to) the following:

(a) if default is made for a period of 14 days or more in the payment of any sum due in respect of the Note(s) or any of them; or

(b) if (i) Silk Road Plus fails to perform or observe any of its other obligations under the Notes or the relevant trust instrument, (ii) the breach of which obligation the trustee of the Note(s) shall have certified to be in its opinion materially prejudicial to the interests of the sub-fund (being the noteholder) and (iii) where in the opinion of the trustee of the Notes such failure is capable of remedy and such failure continues for a period of 30 days (or such longer period as the trustee of the Notes may permit) following the service by the trustee of the notes on Silk Road Plus of notice requiring the same to be remedied;or

(c) if any order shall be made by any competent court or any resolution passed for the winding-up or dissolution of Silk Road Plus other than for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangements on terms approved by the trustee of the Notes; or

(d) without prejudice to the provisions relating to mandatory redemption of the Notes:

(i) if any of the Collateral (or amount due pursuant thereto) becomes capable of being declared due and payable (without taking into account for this purpose any grace period under any terms in effect) prior to their stated date of maturity or other date or dates for their repayment by reason of any event of default (howsoever described) thereunder; or

(ii) if any obligor under the Collateral stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or if any order is made by any competent court or any resolution passed for the winding-up or dissolution of such obligor or if proceedings are initiated against such obligor under any applicable liquidation, insolvency, com - position, reorganisation or other similar laws or any analogous proceedings or such obligor is adjudicated or found bankrupt or insolvent. Payments of the minimum specified coupon and principal redemption in respect of the Notes to the sub-fund is, inter alia, conditional on the Notes maturing as scheduled. The early redemption of the Notes 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 Merrill Lynch unwind the Notes. This may result in the sub-fund not being able to fulfil its investment objective.

Risks of the managed reference portfolio

The Manager who manages the reference portfolio will, amongst others, be responsible for the addition, removal and/or replacement (each an “Adjustment”), in whole or in part, of any reference entity for the time being comprised in the Reference Portfolio in respect of which a credit event has occurred and is then continuing, or at its discretion (within the parameters and subject to the criteria set out in the portfolio management agreement). As a result of any adjustment, certain adjustments may be made to the subordination of the Reference Portfolio.

Each adjustment may give rise to trading losses or trading gains, as determined by the Swap Counterparty in its sole and absolute discretion (acting in good faith and in a commercially reasonable manner and taking into consideration, without limitation, any hedging costs, the remaining duration to maturity of the Notes and other applicable market variables). Trading gains or losses will increase or decrease the subordination accordingly. Thus, adjustments may affect the likelihood of the Reference Portfolio being subject to credit events. The Manager’s selection and management of reference entities and the resultant impact on the subordination may adversely affect the amount of principal and coupon payment that may be made by the Notes to the sub-fund.

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Upon the occurrence of one or more credit events in respect of reference entities comprised in the Reference Portfolio and satisfaction of certain conditions to settlement in respect thereto, as a consequence of which the relevant loss amount exceeds the subordination, the aggregate outstanding principal amount of the Notes will accordingly be reduced. In addition, the Manager, on behalf of Silk Road Plus, may, in its sole and absolute discretion (but subject to certain criteria as set out in the portfolio management agreement), elect to "monetise" all or any part of any excess subordination. Excess subordination is "monetised" in the form of a "one-off" additional payment of interest on the Notes. The Manager's decision to monetise all or part of the excess subordination at any time, whilst resulting in an increase in the amount of coupon paid to sub-fund (as the noteholder), may adversely affect the amounts subsequently payable in that the reduction to the subordination may result in an increased loss that is greater than any related additional interest payments. If the Swap Counterparty does not provide the Manager in relation to the Reference Portfolio, with its determinations of the applicable offer spread, bid spread and delta (as defined below) when required in accordance with the terms of the portfolio management agreement or otherwise does not comply with its obligations in respect of a proposed adjustment, the Manager may not be able to execute such adjustment on behalf of Silk Road Plus, and Silk Road Plus may suffer significant losses as a result.

"**Bid Spread**" means the per annum rate, if applicable, at which the Swap Counterparty would agree to the addition of the relevant incoming reference entity(ies) specified in a proposed adjustment request.

"**Offer Spread**" means the per annum rate, if applicable, offered by the Swap Counterparty for the removal of the relevant outgoing reference entity specified in a proposed adjustment request.

"**Delta**" means, at any time in relation to each reference entity, incoming reference entity or outgoing reference entity, the hedge notional amount determined for such reference entity determined by the Swap Counterparty in its sole and absolute discretion in the context of the Reference Portfolio. The delta for each reference entity may change during the term of the portfolio management agreement.

The investment decisions made by the Manager in relation to the Reference Portfolio may be subject to inherent risks. These include, among other things, credit, liquidity and interest rate risk, the financial condition of the underlying obligors' general economic conditions, market price volatility, the condition of certain financial markets, political events and developments of trends in any particular country. Exposure to the risks associated with the Reference Portfolio includes exposure in the period from and including the management commencement date of the Reference Portfolio to the issue date and therefore the principal and interest payable in respect of the Notes may be reduced as a result of a credit event notwithstanding that the relevant credit event occurred prior to the issue date of the Notes and that no interest was paid under the Notes in respect of the period prior to the issue date.

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The portfolio management agreement may be terminated in certain circumstances which may result in a new portfolio manager being appointed. If no replacement portfolio manager can be appointed then the Reference Portfolio will become static.

Commingling of the Collateral

In limited circumstances, the Collateral held by the custodian of the Notes may not be segregated from the designated investments of the custodian of the Notes and, in such circumstances, in the event of insolvency of the custodian of the Notes, Silk Road Plus' assets may not be as well protected from claims made on behalf of the general creditors of the custodian of the Notes.

Taxation

The sub-fund as an investor in the Notes will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment to it with respect to investment in the Notes. Silk Road Plus will not pay any additional amounts to reimburse investors for any tax, assessment or charge required to be withheld or deducted from payments arising from their investment in the Notes or any tax, assessment or charge suffered by Silk Road Plus except as provided for in the terms of the Notes.

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. All application for units in the Fund must be made on the application form accompanying the prospectus. 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. The prediction, projection or forecast on the economy, securities markets or the economic trends of the markets targeted by the Fund are not necessarily indicative of the future or likely performance of the Fund. An investment in the Fund is subject to investment risks, including the possible loss of the principal amount invested. Investments in unit trusts are not deposits or other obligations of, or guaranteed or insured by 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. a financial adviser, the investor should consider whether the Fund is suitable for him.

Whilst the Manager has taken all reasonable care to ensure that the information contained in this document is not untrue or misleading at the time of publication, the Manager cannot guarantee its accuracy or completeness. Investors should not act on it without first independently verifying its contents. Any opinion or estimate contained in this document is subject to change without notice.

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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.

IMPORTANT INFORMATION

2. PRU 3Plus is no longer available for subscription. The potential principal repayment on maturity date and the payouts are provided for by debt securities and derivative transactions employed as part of the investment approach of the sub-fund and not backed by a guarantee. Investors may lose part or all of their investment in the sub-fund in the event, amongst others, 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(s), 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, there is no guarantee that any payout will be made or that the frequency and amount of payout as set out in the prospectus will be met or the principal may be repaid at maturity date. Please refer to the prospectus relating to the sub-fund for more details on the risks of investing in the sub-fund.

   The sub-fund aims to repay the principal to investors upon maturity. However, investors will have to hold their investments in the sub-fund for the entire investment tenure of 3 years before they may benefit from the principal repayment. If investors realise their units before the sub-fund matures, the realisation price will be based on the prevailing net asset value which can vary according to market fluctuations and may be substantially less than the principal value per unit on maturity.