

PRUDENTIAL UNIT TRUSTS

- GLOBAL TECHNOLOGY FUND
- PAN EUROPEAN FUND
- PROTECTED GLOBAL TITANS FUND (S\$)
- ASIAN BALANCED FUND
- DRAGON PEACOCK FUND
- GLOBAL BASICS FUND
- GLOBAL BALANCED FUND
- ASIAN INFRASTRUCTURE EQUITY FUND
- GLOBAL LEADERS FUND
- GLOBAL POSITIONING STRATEGY FUND

ANNUAL REPORTS

For the year ended 31 December 2008

AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2008

PRUDENTIAL UNIT TRUSTS

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Prudential Unit Trusts – GLOBAL TECHNOLOGY FUND ("PRU GLOBAL TECHNOLOGY FUND")

Included under the CPF Investment Scheme – Ordinary Account

Structure

PRU Global Technology Fund (the "Fund") is organised as a feeder fund which feeds into the Luxembourg-domiciled International Opportunities Funds – Global Technology ("GT Underlying Fund"). The investment manager and sub-manager of the GT Underlying Fund is the Manager and the UK domiciled Henderson Global Investors Limited respectively.

With effect from 1 Dec 2008, the sub-manager of the GT Underlying Fund has been changed from M&G Investment Management Limited to Henderson Global Investors Limited.

Investment Objective

The investment objective of the Fund is to maximise long-term total returns through investment in equities and equity-related securities of companies around the world with innovative products, processes or services. These investments include, but are not restricted to, those companies whose provision or use of technology gives them a strategic advantage in the market.

The Manager intends to achieve this investment objective by investing all or substantially all of the assets of the Fund into the GT Underlying Fund which shares the same investment objective.

Manager's / Sub-Manager's Commentary

Fund performance

The Fund fell 46.8% over the review period while its benchmark declined by 44.7%¹.

Market background

The 12-month period under review saw the manifestation of one of the most difficult stock market cycles in many decades. Technology stocks were by no means the worst affected, with basic materials and financials sectors experiencing the largest declines.

Problems in the financial industry that began with the collapse of the US sub-prime mortgage market in 2007 climaxed in September 2008 with the failure of US investment bank Lehman Brothers Holdings, Inc. The money available for mortgage and business borrowing was restricted as lending between banks ground to a standstill. Consequently, global demand for commodities and consumer goods, already in decline, fell sharply as businesses and consumers were forced to tighten their belts. Sharp volatility characterised equity markets as investors opted for the security of government bonds and cash over any companies that might be perceived as risky.

The scale of the problem was sufficient to force governments and central banks to intervene with a series of massive financial stimuli, including interest rate cuts, aimed at preventing a collapse of credit markets and cushioning the downturn. At the end of the year, we saw some positive signs as investors responded to the drastic steps taken.

¹ The comparison is based on bid-to-bid basis

PRU GLOBAL TECHNOLOGY FUND

Factors affecting performance²

Overall returns from technology stocks were mixed as companies and consumers opted to defer investment in new equipment and software to reduce costs during the global economic slowdown. In such difficult conditions, more defensive areas, such as healthcare and telecommunications, were the most resilient. Healthcare in particular, not traditionally seen as 'technology', remained relatively stable in deteriorating economic conditions, as demand remained constant. This helped some of the larger US-based companies in the portfolio, such as Myriad Genetics Inc., Amgen Inc. and Johnson & Johnson.

Biotechnology firm, Myriad Genetics, thrived in the difficult market conditions of 2008 through its pipeline of new curative and diagnostic products. Pharmaceutical company, Amgen Inc., benefited from positive investor response to notable success in a large-scale Phase 3 trial of pivotal osteoporosis treatment Denosumab. Johnson & Johnson, a large, diversified firm with a range of globally recognised brands, was a defensive play for investors looking for a safe haven.

The general malaise in the US automobile market hit the value of shares in US Auto Parts Network. The online aftermarket auto parts provider was also affected by higher-than-expected costs and litigation troubles during the first few months of 2008, which translated into disappointing overall returns during 2008.

A holding in Belgian large-screen manufacturer Barco N.V. ("Barco") also weighed on fund performance. The price of shares in Barco endured a steep fall in value during October 2008 following a cut in dividend and scrapped profit forecasts. Declining orders and increased competition also pushed the company into an operating loss.

Key changes to the portfolio²

With regard to portfolio activity, a new position in Marvell Technology was added to the portfolio in February. The BlackBerry and iPhone component manufacturer is using its innovative technology to broaden its future prospects through significant development into wireless chipsets and printer systems markets. The company is also improving its business practices, a transition not reflected in its market value.

We sold the position in IG Group Holdings plc. in May, believing the investment rationale to be fulfilled. Recent strong performance by the UK-based spread trader has left their shares looking close to full value. A number of holdings in smaller companies that were more likely to be vulnerable during a protracted market downturn were sold, including US Auto Parts Network Inc., Albany International Corp and Modine Manufacturing Company.

Outlook

We believe that innovation remains a key driver of a company's potential for growth over the longer term, regardless of the wider economic malaise. The Fund will continue to buy only those companies we perceive as long-term winners in their spaces, whether cyclical or not.

² Please note that the securities mentioned herein are included for illustration purposes only. It should not be construed as a recommendation to purchase or sell any particular securities. There is no guarantee that any securities discussed herein will remain in the portfolio of the Fund at the time you received this material or that securities sold have not been repurchased.

PRU GLOBAL TECHNOLOGY FUND

Fund Performance

(As at 31 December 2008)

Sub-Fund/Benchmark	3 months (%)	6 months (%)	1 year	3 years	5 years	Since
			(%)	(%)	(%)	inception ⁺ (%)
(average annual compounded return)						
PRU Global Technology Fund	-24.9	-33.9	-46.8	-18.8	-8.0	-13.4
MSCI All Countries World Information Technology Index*	-24.5	-33.0	-44.7	-15.4	-8.3	-10.5

* The benchmark of PRU Global Technology Fund was changed from the FTSE World Information Technology Index to the MSCI All Countries World Information Technology Index with effect from 1 December 2008. The change in benchmark is to provide a more comparable performance benchmark in light of the change in the investment focus and approach of the GT Underlying Fund as a result of the change in the investment sub-manager of the GT Underlying Fund.

Source: Prudential Asset Management (Singapore) Limited, Henderson Global Investors Limited and Bloomberg. The return is in S\$, and calculated on a bid-to-bid basis with net income reinvested.

There has been no dividend distribution since the launch of the Fund on 16 April 2001.

⁺ The first date of valuation of the Fund was 4 May 2001.

Past performance is not necessarily indicative of the future performance of the Fund.

Schedule of Investments

(As at 31 December 2008)

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets ***
	<u>Luxembourg</u>		
	International Opportunities Funds: - Global Technology Class C	55,083,194	99.95
15,407,886			
Total Investments		55,083,194	99.95
Other Net Current Assets		29,875	0.05
Total Net Assets Attributable to Unitholders		55,113,069	100.00

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

PRU GLOBAL TECHNOLOGY FUND

(As at 31 December 2008)

Exposure to Derivatives

Nil.

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

The PRU Global Technology Fund invests SGD 55,083,194, equivalent to 99.95% of its net asset value attributable to unitholders, in International Opportunities Funds - Global Technology.

Borrowings

Nil.

Related Party Transactions

The Fund invests SGD 55,083,194 equivalent to 99.95% of its net asset value, in International Opportunities Funds - Global Technology. Some directors of the International Opportunities Funds, an open-ended investment company registered in Luxembourg, are also directors of Prudential Asset Management (Singapore) Limited.

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

Total Subscriptions and Redemptions for the year ended 31 December 2008

	SGD
Subscriptions	7,822,008
Redemptions	17,918,905

Annualised Expense Ratio**

1.92% (2007: 1.95%)

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

Turnover Ratio

7.05% (2007: 0.79%)

Soft Dollar Commission

Nil.

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

Nil.

INTERNATIONAL OPPORTUNITIES FUNDS – GLOBAL TECHNOLOGY

Top 10 Holdings

(As at 31 December 2008)

	Market Value USD	% of Net Assets***
Intl Business Machines Corporation	3,031,445	7.66
Microsoft Corporation	2,946,178	7.45
Hewlett-Packard Development Company	2,366,428	5.98
Intel Corporation	1,735,433	4.39
Oracle Corporation	1,697,131	4.29
Cisco Systems Inc	1,693,958	4.28
Apple Computer Inc	1,591,619	4.02
Google Inc	1,363,995	3.45
Nintendo Co Limited	1,271,961	3.22
Qualcomm Inc	1,261,509	3.19

Top 10 Holdings

(As at 31 December 2007)

	Market Value USD	% of Net Assets***
Sony Corporation NPV	2,104,417	2.50
Business Objects SA	2,092,665	2.49
Siemens AG-Reg	2,076,869	2.47
Synopsys Inc	1,992,760	2.37
Philips Electronics NV	1,878,666	2.23
LG Electronics Inc	1,830,030	2.17
Johnson & Johnson	1,819,260	2.16
Oracle Corporation	1,745,720	2.07
Schering-Plough Corporation	1,724,160	2.05
Macdonald Dettwiler & Associates Limited	1,705,452	2.03

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

Annualised Expense Ratio**

1.11% (2007: 1.08%)

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

Turnover Ratio

105.03% (2007: 30.11%)

INTERNATIONAL OPPORTUNITIES FUNDS – GLOBAL TECHNOLOGY

Schedule of Investments

(As at 31 December 2008)

	Market Value USD	% of Net Assets ***
Country		
Bermuda	277,897	0.70
Canada	62,700	0.16
Cayman Islands	1,115,697	2.83
Finland	948,265	2.40
France	1,187,897	3.00
Germany	463,371	1.17
Israel	403,488	1.02
Japan	1,271,961	3.22
Netherlands	266,903	0.67
South Korea	575,768	1.46
Sweden	436,830	1.10
Switzerland	377,366	0.95
Taiwan	1,268,044	3.21
United Kingdom	2,259,512	5.71
United States of America	24,734,024	62.52

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

INTERNATIONAL OPPORTUNITIES FUNDS – GLOBAL TECHNOLOGY

Schedule of Investments (continued)

	Market Value USD	% of Net Assets ***
Industry		
Chemicals & Pharmaceuticals	377,366	0.95
Commercial Services	1,036,839	2.63
Computers & Software	20,517,615	51.86
Electronics & Electrical Equipment	7,214,718	18.23
Financial	1,270,165	3.21
Manufacturing	1,591,059	4.03
Media & Publishing	1,261,509	3.19
Paper & Packaging & Printing	395,827	1.00
Transport & Telecommunications	1,984,623	5.02
Asset Class		
Equities	35,649,722	90.12
Other net current assets	3,908,336	9.88

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

Prudential Unit Trusts – PAN EUROPEAN FUND ("PRU PAN EUROPEAN FUND")

Included under the CPF Investment Scheme – Ordinary Account

Structure

PRU Pan European Fund (the "Fund") is organised as a feeder fund which feeds into the Luxembourg-domiciled International Opportunities Funds – Pan European ("PE Underlying Fund"). The investment manager and sub-manager of the PE Underlying Fund is the Manager and the UK domiciled M&G Investment Management Limited respectively.

Investment Objective

The investment objective of the PRU Pan European Fund is to maximise long-term total return by investing in equity and equity-related securities of companies, which are incorporated, or have their area of primary activity, in Europe (including United Kingdom). The PRU Pan European Fund may also invest in depository receipts, including American Depository Receipts (ADRs) and Global Depository Receipts (GDRs), debt securities convertible into common shares, preference shares and warrants. The Manager intends to achieve this investment objective by investing all or substantially all of the assets of the PRU Pan European Fund into the PE Underlying Fund which shares the same investment objective.

Manager's / Sub-Manager's Commentary

Fund performance

The Fund and its benchmark both fell 46.0% over the review period¹.

Market background

The period under review was an extremely challenging time for investors and companies alike. European equities fell heavily as the full extent of the global credit crisis came to light. Severe problems in the world's financial markets and the prospect of an economic slowdown caused many investors to indiscriminately dispose of their equity holdings and many companies across the continent suffered regardless of the long-term fundamentals of the underlying businesses. Against this uncertain backdrop, large, well-established companies outperformed their smaller, less well-known peers.

Factors affecting performance²

Investors' flight to safety meant that the Fund's more defensive holdings, including German glasses retailer Fielmann AG ("Fielmann") and Belgian discount retailer Colruyt AG ("Colruyt") managed to withstand the volatility in equity markets. Both Fielmann and Colruyt are regarded as businesses that can achieve sustainable growth in their earnings throughout the economic cycle.

¹ The comparison is based on bid-to-bid basis

² Please note that the securities mentioned herein are included for illustration purposes only. It should not be construed as a recommendation to purchase or sell any particular securities. There is no guarantee that any securities discussed herein will remain in the portfolio of the Fund at the time you received this material or that securities sold have not been repurchased.

PRU PAN EUROPEAN FUND

Oil & gas exploration group Tullow Oil plc (“Tullow”), the Fund’s largest holding as at 31 December 2008, extended its good performance. As well as benefiting from rising oil prices in the first half of the period, the company also announced substantial discoveries in Ghana and Uganda. These findings further enhanced Tullow’s already large portfolio of assets, which extends from the North Sea to Asia and the Indian subcontinent. Positive drilling updates for the sites in Uganda and Ghana were released in December.

In contrast, the less-than-favourable circumstances of the past 12 months bruised confidence in firms that are more dependent on a healthy economy, including car parts manufacturer Elringklinger AG. Many investors sold their holdings in the German enterprise because of their fears over the prospect of an economic downturn, which would result in people spending less on the purchase of non-essential items, such as cars. We disposed of this holding during the period.

Businesses with exposure to Eastern Europe, such as Turkish bank *Turkiye Vakiflar*, were also earmarked by investors as too risky given the difficult conditions. Heightened concerns about the political situation in Turkey and the lack of economic reforms hurt the company’s share price as well. However we remain confident of *Turkiye Vakiflar*’s ability to develop its retail and commercial banking operations, and continues to believe that the business represents good value.

Key changes to the portfolio²

The Fund’s position in RHI AG, a manufacturer of linings for steel furnaces was disposed while its holdings in car paints manufacturer Duerr AG and surfaces maker, in particular veneers, Surteco AG were reduced in view of their business vulnerability to the current downturn.

A holding was established in German software giant SAP AG. The company is well placed to continue to grow its earnings despite the economic climate thanks to its recurring revenues, the ability to generate cash and limited competition in its sector.

We bought a position in Reinet Investments S.C.A., an investment vehicle that gives the fund access to shares in British American Tobacco plc at a discount. This holding provides the Fund’s shareholders with investment in a well-established defensive business, which should produce sustainable returns throughout the economic cycle.

Outlook

Against a backdrop of weakening economic growth and unresolved issues in the world’s financial markets, we believe that European equities will remain volatile for some time. We will therefore continue to focus on companies that can grow their earnings over the long term by generating returns above the cost of capital. Furthermore we will pay close attention to the Fund’s investment in companies that are vulnerable to a downturn and favour businesses with a proven ability to improve their earnings at all stages of the economic cycle.

PRU PAN EUROPEAN FUND

Fund performance

(As at 31 December 2008)

Sub-Fund/Benchmark	3 months	6 months	1 year	3 years	5 years	Since inception ⁺
	(%)	(%)	(%)	(%)	(%)	(%)
(average annual compounded return)						
PRU Pan European Fund	-24.5	-39.0	-46.0	-10.8	-1.3	-3.1
FTSE World Europe (including UK) Index	-22.2	-35.0	-46.0	-10.2	-1.1	-1.2

Source: Prudential Asset Management (Singapore) Limited and Bloomberg. The return is in S\$, and calculated on a bid-to-bid basis with net income reinvested.

There has been no dividend distribution since the launch of the Fund on 16 April 2001.

* The first date of valuation of PRU Pan European Fund was 4 May 2001.

Past performance is not necessarily indicative of the future performance of the Fund.

Schedule of Investments

(As at 31 December 2008)

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets ***
	<u>Luxembourg</u>		
	International Opportunities Funds: - Pan European Class C		
5,060,907		43,123,989	99.99
Total Investments		43,123,989	99.99
Other Net Current Assets		3,941	0.01
Total Net Assets Attributable to Unitholders		43,127,930	100.00

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

PRU PAN EUROPEAN FUND

(As at 31 December 2008)

Exposure to Derivatives

Nil.

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

The Fund invests SGD 43,123,989 equivalent to 99.99% of its net asset attributable to unitholders, in International Opportunities Funds - Pan European.

Borrowings

Nil.

Related Party Transactions

The Fund invests SGD 43,123,989 equivalent to 99.99% of its net asset attributable to unitholders, in International Opportunities Funds - Pan European. Some directors of the International Opportunities Funds, an open-ended investment company registered in Luxembourg, are also directors of Prudential Asset Management (Singapore) Limited.

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

Total Subscriptions and Redemptions for the year ended 31 December 2008

	SGD
Subscriptions	15,319,887
Redemptions	16,281,644

Annualised Expense Ratio**

1.79% (2007: 1.77%)

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

Turnover Ratio

14.54% (2007: 18.03%)

Soft Dollar Commission

Nil.

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

Nil.

INTERNATIONAL OPPORTUNITIES FUNDS – PAN EUROPEAN

Top 10 Holdings

(As at 31 December 2008)

	Market Value USD	% of Net Assets***
Colruyt AG	3,852,389	4.99
Ipsen Promesses	3,484,570	4.51
Tullow Oil PLC	3,460,497	4.48
Partygaming PLC	3,431,796	4.44
Fielmann AG	3,237,702	4.19
Vivendi SA	3,189,035	4.13
Ryanair Holdings PLC	2,928,568	3.79
Fresenius Medical Care	2,867,014	3.71
Aer Lingus Group PLC	2,840,530	3.68
AXA SA	2,767,871	3.58

Top 10 Holdings

(As at 31 December 2007)

	Market Value USD	% of Net Assets***
FIs Industries A/S-B Shares	6,794,507	4.13
Elringklinger AG	5,503,934	3.35
Tullow Oil PLC	5,372,076	3.27
Essilor International	5,203,123	3.16
Daimler AG	5,055,947	3.07
April Group	5,049,668	3.07
Wiener Staedische Ver	4,751,671	2.89
Ipsen Promesses	4,610,424	2.80
Vivendi SA	4,506,783	2.74
Cap Gemini SA	4,373,545	2.66

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

Annualised Expense Ratio**

1.09% (2007: 1.11%)

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

Turnover Ratio

71.32% (2007: 88.24%)

INTERNATIONAL OPPORTUNITIES FUNDS – PAN EUROPEAN

Schedule of Investments

(As at 31 December 2008)

Country	Market Value USD	% of Net Assets***
Austria	2,250,121	2.91
Belgium	3,852,389	4.99
Finland	1,480,860	1.92
France	16,654,338	21.55
Germany	12,144,533	15.72
Gibraltar	3,431,796	4.44
Ireland	14,614,027	18.92
Luxembourg	1,672,795	2.17
Netherlands	1,093,735	1.42
Spain	2,355,908	3.05
Sweden	3,189,094	4.13
Switzerland	2,198,593	2.85
Turkey	1,181,652	1.53
United Kingdom	6,971,947	9.03

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

INTERNATIONAL OPPORTUNITIES FUNDS – PAN EUROPEAN

Schedule of Investments

(As at 31 December 2008)

Industry	Market Value USD	% of Net Assets ***
Aerospace & Air Transport	5,769,098	7.47
Auto - Auto Parts	172,418	0.22
Chemicals	1,944,614	2.52
Chemicals & Pharmaceuticals	4,348,894	5.63
Commercial Services	2,101,956	2.72
Computers & Software	5,113,263	6.62
Diversified Operations	5,832,011	7.55
Electronics & Electrical Equipment	2,647,735	3.43
Extractive Industries	4,941,357	6.40
Financial	12,985,232	16.82
Food & Textiles & Apparel	3,014,792	3.91
Health Care	7,117,440	9.21
Insurance	6,093,714	7.88
Manufacturing	1,763,940	2.28
Media & Publishing	2,155,235	2.79
Retail	7,090,091	9.18
Asset Class		
Equities	73,091,789	94.63
Other net current assets	4,147,764	5.37

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

Prudential Unit Trusts – PROTECTED GLOBAL TITANS FUND (S\$) (“PRU PROTECTED GLOBAL TITANS FUND (S\$)”)

Included under the CPF Investment Scheme – Ordinary Account and Special Account

Structure

The PRU Protected Global Titans Fund (S\$) (the “Fund”) is a capital protected fund organised as a direct investment portfolio.

Investment Objective

The investment objective of the Fund is to achieve long term capital growth by gaining exposure to top global multinational companies through the Dow Jones Global Titans 50 IndexSM while at the same time providing protection against the net asset value (“NAV”) of the Fund falling below the floor level of 95% of its NAV as at the start of each floor period, such period to be more than 12 months but less than 13 months. The Fund is denominated in Singapore Dollars.

Manager’s Commentary

Fund performance

The Fund rose 2.1% over the review period, underperforming its CPF Ordinary Account interest rate benchmark return of 2.5%¹.

Market background

The Dow Jones Global Titans IndexSM had an abysmal year, falling 40%², as the market capitulated under the strain of credit crunch. Economic conditions continued to be difficult in 2008 with the economy taking a significant turn for the worse following the collapse of Lehman Brothers Holdings, Inc. and other failures within the US financial sector. The inflationary pressure which spooked the market in the earlier half of the year subsequently subsided as commodity prices reacted to the slowing economic conditions. Short end SGD interest rates is approximately 1%² lower relative to a year ago due to the global monetary easing stance of central banks in viewing of the deteriorating economic conditions.

Factors affecting performance

Performance in 1H 2008 fell short of absolute benchmark return of 2.50% p.a. due to the rally in short term rates from the Monetary Authority of Singapore’s stronger SGD stance. As mentioned in the 2007 annual report, the Fund’s strategy in 2008 is to be selective of its Dow Jones Global Titans IndexSM exposure in view of the weak equity market. During 2008 the Fund elected not to gain exposure to the Dow Jones Global Titans IndexSM via a call option, a decision which worked well because the option would have traded out of the money in view of the negative direction of the market.

Outlook

We maintain our cautious stance of the US economic conditions in 2009 as we have yet to see signs of asset price stabilization. Thus we will maintain the selective exposure stance with regards to the Dow Jones Global Titans IndexSM in 2009 in view of the uncertain economic outlook.

Credit spreads are expected to remain wide relative to previous years. In view of this, the Fund will look to invest selectively in bonds which are offering attractive yields on a risk adjusted basis.

¹ The comparison is based on bid-to-bid basis

² Bloomberg

PRU PROTECTED GLOBAL TITANS FUND (S\$)

Fund Performance

(As at 31 December 2008)

Sub-Fund/Benchmark	3 months (%)	6 months (%)	1 year (%)	3 years (%)	5 years (%)	Since inception ⁺ (%)
			(average annual compounded return)			
PRU Protected Global Titans Fund (S\$)	0.3	1.5	2.1	4.7	3.2	1.9
CPF Ordinary Account Interest Rate	0.6*	1.3*	2.5	2.5	2.5	2.5

Source: Prudential Asset Management (Singapore) Limited and CPF Board. The return is in S\$, and calculated on a bid-to-bid basis with net income reinvested.

* As a proportion of 1 year CPF interest rate.

There has been no dividend distribution since the launch of the PRU Protected Global Titans Fund (S\$) on 19 September 2001.

⁺ The first date of valuation of PRU Protected Global Titans Fund (S\$) was 31 October 2001.

Past performance is not necessarily indicative of the future performance of the PRU Protected Global Titans Fund (S\$)

Schedule of Investments

(As at 31 December 2008)

Quoted Bonds	Market Value SGD	% of Net Assets***
Allgreen Properties Limited MTN 3% 12/08/2009	989,271	3.82
Allgreen Properties Limited Series MTN 2.65% 20/03/2009	501,917	1.94
ANZ National (Int'l) Limited EMTN 3.22% 08/07/2010	251,029	0.97
Ascott Capital Pte Limited MTN 2.725% 02/06/2009	1,002,910	3.88
Ascott Capital Pte Limited MTN 3.1% 05/03/2010	499,211	1.93
ASIF Global Financing XXVII 2.38% 26/02/2009	504,808	1.95
BNZ International Funding Limited GMTN 3.24% 28/07/2010	512,433	1.98
Cable & Wireless Optus Finance Pty Limited Series 8.125% 15/06/2009	1,488,570	5.75

PRU PROTECTED GLOBAL TITANS FUND (S\$)

Schedule of Investments (continued)

Quoted Bonds	Market Value SGD	% of Net Assets***
CCT MTN Pte Limited Series MTN 3.85% 20/08/2010	1,003,594	3.88
CMT MTN Pte Limited MTN 3.25% 01/04/2010	760,861	2.94
CMT MTN Pte Limited MTN 2.8% 08/05/2009	501,921	1.94
Development Bank of Singapore Series 7.875% 10/08/2009	1,130,759	4.37
Emirates Bank Int'l EMTN 3.875% 08/05/2009	499,491	1.93
Export-Import Bank of Korea EMTN 2.28% 06/05/2009	1,002,348	3.87
Export-Import Bank of Korea EMTN 2.55% 21/07/2009	505,379	1.95
F&N Treasury Pte Limited MTN 2.43% 21/05/2009	751,417	2.91
General Electric Capital Corporation EMTN 3.65% 06/04/2009	761,313	2.94
Hotel Properties Limited MTN 2.945% 07/08/2009	754,456	2.92
Industrial Bank of Korea EMTN 2.665% 17/09/2009	726,363	2.81
Jurong Town Corp MTN 4.875% 28/01/2009	511,384	1.98
Korea Development Bank EMTN 4.75% 20/07/2009	577,011	2.23
Mapletree Treasury Services Limited MTN 2.25% 30/01/2009	504,772	1.95
Mapletree Log Treasury Company Pte Ltd Series MTN 3.81% 19/10/2009	1,016,560	3.93
Misc Capital Ltd Series 5% 01/07/2009	738,673	2.86
Shinhan Bank EMTN 3.78% 17/06/2010	743,732	2.88
Sun Hung Kai Properties Limited MTN 3.69% 06/11/2009	507,951	1.96
Sun Life Canada Funding LLC 4.15% 22/04/2009	507,511	1.96
Swiber Holdings Limited Series MTN 3.14% 08/05/2009	753,484	2.91
Woori Bank EMTN 3.2% 18/06/2009	744,328	2.88
Time Deposit		
Credit Suisse First Boston, Singapore Branch	1,755,605	6.78
Oversea-Chinese Banking Corporation Limited	400,024	1.55
Standard Chartered Bank, Singapore Branch	1,800,636	6.96
Total Investment	24,709,722	95.51
Other Net Current Assets	1,161,165	4.49
Total Net Assets Attributable to Unitholders	25,870,887	100.00

Note: MTN denotes Medium Term Note, EMTN denotes Euro Medium Term Note, and GMTM denotes Global Medium Term Note.

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

PRU PROTECTED GLOBAL TITANS FUND (S\$)

(As at 31 December 2008)

Exposure to Derivatives

The Fund has the following exposure to derivatives as at 31 December 2008:

	Fair Value 31 Dec 2008 SGD	Percentage of total net assets attributable to unitholders %
Forward foreign exchange contracts	131,439	0.51

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

Borrowings

Nil.

Related Party Transactions

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

Total Subscriptions and Redemptions for the year ended 31 December 2008

	SGD
Subscriptions	40,330,457
Redemptions	30,841,257

Annualised Expense Ratio**

0.78% (2007: 0.78%)

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

Turnover Ratio

76.16% (2007: 98.35%)

Soft Dollar Commission

Nil.

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

Nil.

PRU PROTECTED GLOBAL TITANS FUND (\$\$)

Top 10 holdings

(As at 31 December 2008)

	Market Value SGD	% of Net Assets***
Cable & Wireless Optus Finance Pty Limited Series 8.125% 15/06/2009	1,488,570	5.75
Development Bank Of Singapore Series 7.875% 10/08/2009	1,130,759	4.37
Mapletreelog Treasury Company Pte Ltd Series MTN 3.81% 19/10/2009	1,016,560	3.93
CCT MTN Pte Limited Series MTN 3.85% 20/08/2010	1,003,594	3.88
Ascott Capital Pte Limited MTN 2.725% 02/06/2009	1,002,910	3.88
Export-Import Bank Of Korea EMTN 2.28% 06/05/2009	1,002,348	3.87
Allgreen Properties Limited MTN 3% 12/08/2009	989,271	3.82
General Electric Capital Corporation EMTN 3.65% 06/04/2009	761,313	2.94
CMT MTN Pte Limited MTN 3.25% 01/04/2010	760,861	2.94
Hotel Properties Limited MTN 2.945% 07/08/2009	754,456	2.92

Top 10 holdings

(As at 31 December 2007)

	Market Value SGD	% of Net Assets***
Singapore Treasury Bill Series 91 06/03/2008	1,993,120	12.45
Shinhan Bank 3.615% 26/02/2008	1,014,187	6.33
Westpac Banking Corporation Series EMTN 3.1% 12/11/2008	1,010,927	6.31
Woori Bank 3.52% 23/01/2008	755,457	4.72
Kookmin Bank EMTN Var 28/04/2008	752,691	4.70
General Electric Capital Corporation 2.725% 10/11/2008	751,262	4.70
Swedbank AB 2.75% 20/06/2008	750,050	4.69
Toyota Kreditbank 2.8% 29/12/2008	749,192	4.68
Macquarie Bank 3.43% 18/11/2008	516,591	3.23
Hotel Properties Limited 4.35% 04/07/2007	506,017	3.16

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

PRU PROTECTED GLOBAL TITANS FUND (S\$)

Schedule of Investments

(As at 31 December 2008)

	Market Value SGD	% of Net Assets***
Country		
Australia	1,488,570	5.75
Cayman Islands	507,511	1.96
Malaysia	738,673	2.86
New Zealand	763,462	2.95
Singapore	15,146,733	58.55
South Korea	4,299,161	16.62
United Arab Emirates	499,491	1.93
United States of America	1,266,121	4.89
Industry		
Banks	10,649,138	41.16
Diversified Financial Services	4,027,373	15.57
Finance	1,268,824	4.90
Industrials	511,384	1.98
Leisure	754,456	2.92
Petrol	753,484	2.91
Real Estate	3,501,260	13.53
Real Estate Investment Trusts	1,016,560	3.93
Telecom Service	1,488,570	5.75
Transport-Rail	738,673	2.86

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

PRU PROTECTED GLOBAL TITANS FUND (S\$)

Schedule of Investments (continued)

	Market Value SGD	% of Net Assets***
Credit Ratings (by Standard & Poor's ("S&P")/Moody's)		
AAA	761,313	2.94
AA-	1,130,759	4.37
A+	1,488,570	5.75
A	1,733,805	6.70
A-	744,328	2.88
Not rated	14,894,682	57.58
Asset Class		
Bonds	20,753,457	80.22
Time deposits	3,956,265	15.29
Other net current assets	1,161,165	4.49

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

Prudential Unit Trusts – ASIAN BALANCED FUND (“PRU ASIAN BALANCED FUND”)

Included under the CPF Investment Scheme – Ordinary Account and Special Account

Structure

The PRU Asian Balanced Fund (the “Fund”) is organised as a feeder fund which feeds into the Luxembourg - domiciled International Opportunities Funds – Asian Equity (“IOF – Asian Equity”) for its equity participation and International Opportunities Funds - US High Investment Grade Bond (“IOF - US HIG Bond”) and International Opportunities Funds – US Investment Grade Bond (“IOF - US IG Bond”) for its bond participation. The investment manager of IOF - Asian Equity, IOF - US HIG Bond and IOF - US IG Bond is the Manager. The investment sub-manager of the IOF - US HIG Bond and IOF - US IG Bond is PPM America, Inc.

Investment Objective

The investment objective of the Fund is to maximise total return in the medium to long term by investing in a portfolio comprising of equities of companies in the Asian ex-Japan region, and quality corporate bonds and other fixed income securities issued in the United States market.

Manager’s / Sub-Manager’s Commentary

Fund performance

The Fund fell by 33.3% for the year 2008 and underperformed its composite benchmark’s loss of 30.6%. Since its 24 February 2003 inception, the Fund was up by 3.5% p.a., marginally underperforming its composite benchmark returns by 0.6% p.a.¹

Market background

Financials markets had an exceptionally difficult year in 2008 with risky assets suffering unprecedented levels of volatility. Although global equities recovered some of the losses in December 2008, they were still down significantly for the year. Likewise, Asian equity markets also sold off sharply and underperformed global equities as concerns intensified about an export-led slowdown. A rise in global risk aversion also resulted in foreign outflows which in turn hurt equities and certain Asian currencies. For the year, the MSCI AC Far East Free ex Japan (Total Return Gross) Index was down by 51.0% in SGD terms².

Plagued by similar concerns, the US credit markets also had a dismal year in 2008. Initially, the housing market declines were the driver of financial company write-downs, which in turn led to de-leveraging pressures and worsening capital market conditions. As the year progressed, an all out financial system/liquidity crises ensued, climaxing in September of 2008 as access to new capital for financial companies was essentially turned off corresponding with the bankruptcy of Lehman Brothers Holdings, Inc. Investment grade credits, largely comprising of financial companies who depend on new short term financing, were at the heart of market disruption. Commercial Mortgage-Backed Securities (CMBS) were particularly affected by this situation.

¹ The comparison is based on bid-to-bid basis

² MSCI Barra

PRU ASIAN BALANCED FUND

Against this backdrop, the US high investment grade bond and US investment grade bond (using Merrill Lynch US Corporates, A2 Rated and above Index and Merrill Lynch US Corporates, BBB3 - A3 Rated Index as proxies) fell by 3.9% and 9.8% respectively in Singapore dollar terms for the year³.

Factors Affecting Performance⁴

For the review period, the Fund's broad strategy of underweighting Asian equities into US bonds for most part of the year added value as the latter outperformed the former by a wide margin. This was, however, more than offset by the underperformance of its Asian equity and US bond sub-funds, resulting in the overall Fund underperforming its composite benchmark.

The Asian Equity sub-fund's underperformance was due largely to the negative stock selection in Indonesia, Singapore, India and China. In Indonesia, PT Energi Mega Persada Tbk. was hurt by sliding oil prices as well as concern about its parent entity's (Bakrie and Brothers) debt. In Singapore, falling demand depressed shipbuilder Cosco Singapore while the downturn in China property hurt Yanlord Land Group Limited. Suzlon Energy, India's wind turbine major, suffered as declining oil prices and the credit crisis forced developers to rethink renewable energy equipment. China's Focus Media Holding Limited's ADR price slumped in late 2008 after management warned of slowing growth in the country's advertising market. On a positive note, Korea made a strong positive contribution, thanks to the underweighting of cyclical industries namely shipbuilding, steel and construction as well as good stock selection in the consumer discretionary sector.

The US bond sub-funds' underperformances was driven mainly by the benchmark investment into CMBS. The overweight in Financials, particularly in shorter dated paper which was disproportionately affected by the global credit crunch, also significantly detracted from the sub-funds' relative performance. On a positive note, the sub-funds' defensive allocation to cash/Treasuries and underweight to REITs helped mitigate the losses.

Key changes to the portfolio

The Fund moved from an overweight to an underweight in Asian equities in January of 2008 as we took the view that Asian equity markets could see further downside risk given that valuation was no longer cheap and economic data, particularly from the US, suggested increased downside risks to (earnings) growth.

Following the sharp sell off from September through November, the Fund moved to neutral between Asian equities and US bonds in late October/early November before increasing the Asian equity weightings further to an overweight position by end of November. While Asian growth and earnings are likely to slow sharply going forward, we believed that

³ Bloomberg

⁴ Please note that the securities mentioned herein are included for illustration purposes only. It should not be construed as a recommendation to purchase or sell any particular securities. There is no guarantee that any securities discussed herein will remain in the portfolio of the Fund at the time you received this material or that securities sold have not been repurchased.

PRU ASIAN BALANCED FUND

valuation then have priced in a fairly challenging macroeconomic environment. In addition, the probability of US bonds outperforming Asian equities had significantly decreased post the sell-off. We, however, took opportunity of market rebound in December to trim the overweight tilt in Asian equities as we believed that the rally appeared to be a tentative return of investor risk appetite and is unlikely to be sustainable.

Outlook

We maintain our medium-term positive view on Asian equity and believe the current market provides excellent opportunities given the attractive valuation. Having said that, we are cognizant of the short-term market risks, as market volatility is likely to remain high. Until a turning point is in sight in terms of macro growth and corporate earnings cycle, equity market may well continue to weaken in the near-term. As such, the Fund has tactically moved to neutral between Asian equities and bonds post the year end.

Conversely, we have turned more positive on US credit markets. Current historically wide credit spreads have priced in higher credit default rates than one would expect based on historical experience. As such, we believe that investors are being paid a large risk premium to be invested in US credit now. Moreover, current running yields on the US high investment grade and investment grade bond sub-funds are approximately 7% and 10% respectively in USD terms³. Given the collapse in the cost of hedging USD to SGD, the US bond funds now offers SGD-based investors a hedged yield of between 7% and 10%³.

For the US bond sub-funds, we believe that the current record supply of Treasuries will be difficult for the market to absorb, and a gradual increase in risk tolerance and desire for yield should redirect flows from Treasuries back into credit risk product when risk appetite returns. As such, we favour credits over Treasuries. Within the investment grade universe, we believe that well researched, selective corporate issuers, high quality CMBS and shorter dated high quality asset-backed securities (ABS) currently provide the best opportunities and the US bond sub-funds are therefore over-weighted these sectors. In contrast, cyclical industrial sectors' performance is likely to weaken over the next several months as the real economy continues to deteriorate. Therefore, the US bond sub-funds will avoid those industrial companies with higher than average debt levels or near term re-financing needs.

Within the Asian equity, the sub-fund is overweight Hong Kong/China as valuations of these markets have improved notably following sharp corrections. We are attracted by Beijing's willingness to spend heavily to boost the economies of China and Hong Kong as well as China's strong internal demand. The sub fund is also overweight Indonesia as valuations and economic fundamentals look good, in our opinion. The sub fund is underweight India, where fiscal and trade deficits appear to compound the likelihood that consensus earnings forecasts will continue to be lowered. We also believe that economic weakness in the United States and Europe will reduce demand for India's business outsourcing services. But we are mindful that India's valuation has converged with that of China, and we are looking for Indian stocks that have become attractive as a result.

³ Bloomberg

PRU ASIAN BALANCED FUND

Fund Performance

(As at 31 December 2008)

Sub-Fund/Benchmark	3 months (%)	6 months (%)	1 year (%)	3 years (%)	5 years (%)	Since inception*
			(average annual compounded return)			
PRU Asian Balanced Fund	-10.2	-22.1	-33.3	-6.9	-0.4	3.5
<u>Composite Benchmark*</u>						
50% MSCI Asia ex-Japan Index						
30% Merrill Lynch US Corporates A-AAA rated (adjusted for A- credits)	-8.4	-18.8	-30.6	-5.1	0.9	4.1
20% Merrill Lynch US Corporates BBB - A rated						

Source: Prudential Asset Management (Singapore) Limited and Bloomberg. The return is in S\$, and calculated on a bid-to-bid basis with net income reinvested.

There has been no dividend distribution since the launch of the PRU Asian Balanced Fund on 13 January 2003.

* The first date of valuation of the Fund was 24 February 2003.

Past performance is not necessarily indicative of the future performance of the PRU Asian Balanced Fund.

* Changed from a composite of 50% MSCI Far East Fr Ex Japan Index, 30% Merrill Lynch US Corporates A-AAA rated (adjusted for A- credits) and 20% Merrill Lynch US Corporates BBB-A rated with effect from 1 October 2008 to better reflect the investment objective and focus of the Sub-Fund as the MSCI AC Asia ex Japan Index which replaced the MSCI Far East Fr ex Japan Index in the composite covers the additional countries of India and Pakistan in addition to the countries covered in the MSCI Far East Fr ex Japan Index.

PRU ASIAN BALANCED FUND

Schedule of Investments

(As at 31 December 2008)

Number of Shares	Investment Funds	Market Value SGD	% Net Assets***
	<u>Luxembourg</u>		
10,762,562	International Opportunities Funds: - Asian Equity Class C	279,002,368	51.58
9,801,059	International Opportunities Funds: - US High Investment Grade Bond Class B	166,414,522	30.77
4,431,925	International Opportunities Funds: - US Investment Grade Bond Class B	76,795,947	14.20
	Total Investments	522,212,837	96.55
	Other Net Current Assets	18,675,401	3.45
	Total Net Assets Attributable to Unitholders	540,888,238	100.00

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

PRU ASIAN BALANCED FUND

(As at 31 December 2008)

Exposure to Derivatives

Nil.

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

The PRU Asian Balanced Fund invests SGD 279,002,368, SGD 166,414,522 and SGD 76,795,947 equivalent to 51.58%, 30.77% and 14.20% of its net asset value attributable to unitholders, in International Opportunities Funds - Asian Equity, International Opportunities Funds - US High Investment Grade Bond and International Opportunities Funds - US Investment Grade Bond respectively.

Borrowings

Nil.

Related Party Transactions

The PRU Asian Balanced Fund invests SGD 279,002,368, SGD 166,414,522, and SGD 76,795,947 equivalent to 51.58%, 30.77% and 14.20% of its net asset value attributable to unitholders, in International Opportunities Funds - Asian Equity, International Opportunities Funds - US High Investment Grade Bond and International Opportunities Funds - US Investment Grade 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.

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

Total Subscriptions and Redemptions for the year ended 31 December 2008

	SGD
Subscriptions	278,410,235
Redemptions	221,923,639

Annualised Expense Ratio**

1.45% (2007: 1.45%)

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

Turnover Ratio

41.80% (2007: 14.98%)

PRU ASIAN BALANCED FUND

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 extent 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 arrangements have been undertaken by the Manager in respect of the sub-funds of the International Opportunities Funds (“underlying fund”) which the PRU Asian Balanced Fund feeds into. Such softing services relate essentially includes 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 extent 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 arrangements have also been undertaken by the Manager in respect of the underlying fund. The soft dollar arrangements relate essentially to the use of analytical tool provided by a broker, ITG Hong Kong Limited (“ITG HK”) for the purpose of assessing and monitoring the efficiency of trade execution. The Manager 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 the Manager.

The Manager 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.

INTERNATIONAL OPPORTUNITIES FUNDS – ASIAN EQUITY

Top 10 Holdings

(As at 31 December 2008)

	Market Value USD	% of Net Assets ***
China Mobile Limited	20,463,795	4.11
China Unicom Hong Kong Limited	17,455,592	3.51
Wharf Holdings Limited	17,179,501	3.45
Taiwan Cement Corporation	16,228,069	3.26
Samsung Electronics Co Limited	15,937,446	3.20
PT Bank Rakyat Indonesia Tbk	14,897,733	2.99
Far Eastern Textile Limited	14,102,674	2.83
Bank Of China Limited - H	13,615,248	2.73
Henderson Land Development Company Limited	13,487,073	2.71
Hutchinson Whampoa Limited	13,294,145	2.67

Top 10 Holdings

(As at 31 December 2007)

	Market Value USD	% of Net Assets ***
China Mobile Limited	36,561,625	4.31
Samsung Electronic Co Limited	27,448,657	3.23
Hon Hai Precision Industry	22,508,473	2.65
Hana Financial Holdings	22,413,717	2.64
Sk Energy Co Limited	21,600,499	2.55
Bank of China Limited -H	21,239,982	2.50
Advanced Semiconductor	18,951,777	2.23
Cheung Kong Holdings Limited	17,877,321	2.11
Korea Exchange Bank	17,420,602	2.05
Energi Mega Pwrsada Tbk	17,195,913	2.03

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

Annualised Expense Ratio **

1.10% (2007: 1.09%)

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

Turnover Ratio

40.24% (2007: 69.99%)

INTERNATIONAL OPPORTUNITIES FUNDS – ASIAN EQUITY

Schedule of Investments

(As at 31 December 2008)

	Market Value USD	% of Net Assets***
Country		
Bermuda	2,666,325	0.54
Cayman Islands	25,182,661	5.06
China	35,671,778	7.17
Hong Kong	122,449,091	24.59
India	40,985,004	8.23
Indonesia	27,082,928	5.44
Malaysia	7,436,035	1.49
Philippines	15,390,423	3.09
Singapore	22,041,616	4.43
South Korea	94,234,536	18.93
Taiwan	70,593,168	14.18
Thailand	18,119,288	3.63
United States of America	7,296,080	1.47

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

INTERNATIONAL OPPORTUNITIES FUNDS – ASIAN EQUITY

Schedule of Investments

(As at 31 December 2008)

	Market Value USD	% of Net Assets ***
Industry		
Breweries & Leisure & Hotels	5,736,912	1.15
Building & Construction	4,755,593	0.95
Chemicals & Pharmaceuticals	11,444,297	2.30
Computers & Software	7,242,588	1.45
Diversified Operations	13,294,145	2.67
Electronics & Electrical Equipment	64,607,358	12.99
Energy	8,764,146	1.76
Extractive Industries	21,200,060	4.26
Financial	134,458,389	26.98
Food & Textiles & Apparel	14,102,674	2.83
Insurance	10,451,555	2.10
Manufacturing	26,233,695	5.27
Media & Publishing	7,296,080	1.47
Property	43,538,540	8.75
Public Utilities	8,826,409	1.77
Real Estate	3,738,363	0.75
Retail	20,356,384	4.10
Tobacco	12,064,113	2.42
Transport & Telecommunications	71,037,630	14.28
Asset Class		
Equities	489,148,932	98.25
Other net current assets	8,712,576	1.75

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

INTERNATIONAL OPPORTUNITIES FUNDS – US HIGH INVESTMENT GRADE BOND

Top 10 Holdings

(As at 31 December 2008)

	Market Value USD	% of Net Assets ***
Wachovia Corp. 5.7 8/1/2013	2,774,478	1.86
JP Morgan Chase 6.625% 15/3/2012	2,720,562	1.82
General Electric Capital Corp. 5.5% 28/4/2011	2,557,015	1.71
General Electric Capital Corp. 5.875% 14/01/2038	2,538,715	1.70
Mellon Funding Corp. 5.2% 15/05/2014	2,392,362	1.60
Burlinton 5.72% 15/1/2024	2,288,345	1.53
Bp Capital Plc 5.25 11/7/2013	2,095,884	1.40
Bank Of America Corp. 7.4% 15/1/2011	2,048,584	1.37
Bank of New York Mellon Corp. 4.95 11/01/2012	2,036,954	1.36
General Electric Capital Corp. 5.625% 1/5/2018	2,034,894	1.36

Top 10 Holdings

(As at 31 December 2007)

	Market Value USD	% of Net Assets ***
SBC Comm 4.125% 09/2009	5,746,031	2.76
General Electric 5.5% 28/4/2011	5,646,493	2.71
JP Morgan Chase 6.625% 15/3/2012	4,873,450	2.34
Wells Fargo 7.55% 21/6/2010	4,260,600	2.04
Carmax MBS 5.23% 15/12/2011	3,028,619	1.45
Wachovia Corp. 5.7% 8/1/2013	2,877,816	1.38
BAC Capital 5.63% 31/12/2049	2,690,760	1.29
Deutsche Bank AG 5.375% 12/10/2012	2,566,229	1.23
Morgan Stanley MBS 5.7% 12/7/2044	2,548,959	1.22
Mellon Funding Corp. 5.2% 15/05/2014	2,547,203	1.22

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

INTERNATIONAL OPPORTUNITIES FUNDS – US HIGH INVESTMENT GRADE BOND

	Market Value USD	% of Net Assets ***
Credit Ratings (by S&P/Moody's)		
AAA	24,182,620	16.18
AA+	939,078	0.63
AA	10,268,119	6.87
AA-	15,239,719	10.22
A+	34,346,215	22.99
A	21,692,401	14.50
Aa1	760,885	0.51
Aa2	2,036,954	1.36
Aa3	3,879,547	2.59
A1	1,441,722	0.97
A2	836,610	0.56
A3	1,254,949	0.84
Not Rated	30,093,284	20.14

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

Annualised Expense Ratio**

0.57% (2007: 0.56 %)

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

Turnover Ratio

97.43% (2007: 137.92%)

INTERNATIONAL OPPORTUNITIES FUNDS – US HIGH INVESTMENT GRADE BOND

Schedule of Investments (As at 31 December 2008)

Country	Market Value USD	% of Net Assets ***
Australia	1,450,349	0.97
Chile	734,728	0.49
Germany	1,071,168	0.72
Netherlands	2,488,384	1.67
Qatar	1,163,444	0.78
Switzerland	687,370	0.46
United Arab Emirates	625,783	0.42
United Kingdom	4,373,915	2.93
United States of America	134,376,962	89.92

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

INTERNATIONAL OPPORTUNITIES FUNDS – US HIGH INVESTMENT GRADE BOND

Schedule of Investments (continued) (As at 31 December 2008)

	Market Value USD	% of Net Assets ***
Industry		
Aerospace & Air Transport	1,189,438	0.79
Agricultural Operations	424,504	0.28
Banking	41,521,264	27.80
Commercial Services	2,288,345	1.53
Electronics & Electrical	1,511,691	1.01
Finance - Financial Services	42,534,208	28.48
Government Bonds	2,602,176	1.74
Government Gilts	551,170	0.37
Insurance	7,001,330	4.69
Manufacturing	4,590,253	3.08
Media	552,188	0.37
Metals	734,728	0.49
Mortgage Back Securities	19,848,975	13.28
Mutual Fund	1,677,462	1.12
Oil & Gas	3,259,328	2.17
Others	12,339,691	8.26
Retail	464,786	0.31
Special Purpose Entity	1,387,911	0.93
Transport	2,492,654	1.66
Asset Class		
Bonds	146,972,102	98.36
Other net current assets	2,397,453	1.64

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

INTERNATIONAL OPPORTUNITIES FUNDS – US INVESTMENT GRADE BOND

Top 10 Holdings

(As at 31 December 2008)

	Market Value USD	% of Net Assets***
Wells Fargo 7.7% 29/12/2049	1,438,299	1.85
JP Morgan Chase 5.179342% 15/12/2044	1,182,896	1.52
CVS Lease 6.036 12/10/2028	1,141,787	1.47
Telefonica 5.855 4/2/2013	1,062,654	1.37
Merrill Lynch MBS 5.236% 12/11/2035	952,965	1.23
International Lease 4.75% 1/7/2009	930,584	1.20
Sabmiller PLC 5.7% 1/15/2014	925,512	1.19
Enterprise Products Operating LLC 5.65% 1/4/2013	909,749	1.17
Inco Ltd 7.75% 15/05/2012	863,991	1.11
Morgan Stanley MBS 5.7 12/7/2044	837,637	1.08

Top 10 Holdings

(As at 31 December 2007)

	Market Value USD	% of Net Assets ***
Vodafone 7.75% 15/2/2010	3,846,764	3.60
JP Morgan Chase 5.179342% 15/12/2044	1,482,081	1.39
Xerox Corporation 5.5 15/5/2012	1,410,233	1.32
JP Morgan Chase MBS Frn 12/12/2044	1,405,738	1.32
Union Pacific Corp. 5.45% 31/01/2013	1,318,358	1.23
Diageo Capital PLC 5.25 30/01/2013	1,282,851	1.20
Bear Stearns 5.405 11/12/2040	1,265,379	1.18
CVS Lease 6.036 12/10/2028	1,213,605	1.14
Prudential 6% 01/12/2017	1,189,729	1.11
GS Mortgage Securities Trust 2007-GG10 5.9933 8/10/2045	1,127,798	1.06

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

INTERNATIONAL OPPORTUNITIES FUNDS – US INVESTMENT GRADE BOND

	Market Value USD	% of Net Assets ***
Credit Ratings (by S&P/Moody's)		
AAA	8,282,436	10.66
AA+	539,335	0.69
AA-	367,512	0.47
AA	463,302	0.60
A+	4,343,594	5.60
A	5,232,143	6.73
A-	1,478,892	1.91
Aa3	392,847	0.51
A2	451,962	0.58
A3	938,542	1.21
Baa1	2,279,168	2.92
Baa2	461,296	0.59
BBB+	13,589,864	17.46
BBB	11,709,863	15.06
BBB-	7,816,855	10.06
Not rated	16,119,657	20.72

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

Annualised Expense Ratio**

0.58% (2007: 0.57%)

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

Turnover Ratio

182.86% (2007: 179.19%)

INTERNATIONAL OPPORTUNITIES FUNDS – US INVESTMENT GRADE BOND

Schedule of Investments (As at 31 December 2008)

	Market Value USD	% of Net Assets ***
Country		
Canada	3,995,292	5.13
France	250,800	0.32
Luxembourg	1,134,888	1.45
Netherlands	913,053	1.17
Qatar	532,490	0.68
Spain	1,472,323	1.90
United Arab Emirates	625,783	0.80
United Kingdom	2,888,715	3.73
United States of America	62,653,923	80.59

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

INTERNATIONAL OPPORTUNITIES FUNDS – US INVESTMENT GRADE BOND

Schedule of Investments (continued)

	Market Value USD	% of Net Assets ***
Industry		
Aerospace & Air Transport	384,345	0.49
Agricultural Operations	686,585	0.89
Banking	5,770,312	7.43
Cable TV	713,511	0.92
Computers & Office Equipment	1,221,077	1.57
Construction	138,131	0.18
Electronics & Electrical	6,863,597	8.83
Energy	3,451,958	4.43
Environmental Control	226,667	0.29
Finance - Financial Services	11,955,638	15.37
Floating Rate Notes	683,478	0.88
Government Bonds	2,391,743	3.08
Healthcare	701,573	0.90
Insurance	3,401,396	4.38
Leisure Time	364,086	0.47
Media	2,174,306	2.80
Metals	863,991	1.11
Mortgage Back Securities	6,687,633	8.61
Mutual Fund	157,826	0.20
Oil & Gas	5,890,556	7.56
Others	7,592,779	9.76
Pipelines	4,557,395	5.86
Real Estate	640,733	0.83
Retail	2,038,224	2.62
Telecommunications	3,606,272	4.64
Transport	1,021,448	1.32
Utilities - Electric	282,009	0.36
Asset Class		
Bonds	74,467,267	95.77
Other net current assets	3,289,094	4.23

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

Prudential Unit Trusts – DRAGON PEACOCK FUND ("PRU DRAGON PEACOCK FUND")

Included under the CPF Investment Scheme – Ordinary Account

Structure

The PRU Dragon Peacock Fund (the "Fund") is a fund organised as a direct investment portfolio. For efficient portfolio management purposes, a Mauritian entity, Dragon Peacock Investments Limited has been established to hold all the investments of the Fund in China and/or India (except such investments which the Manager determines should be held directly by the Fund). The Trustee remains responsible for the safe custody of the assets of the Sub-Fund held through the Mauritian entity. The Manager has sub-delegated the investment management of the Fund's China portfolio to the investment sub-manager, Prudential Asset Management (Hong Kong) Limited.

Investment Objective

The investment objective of the Fund is to maximize long-term total return by investing primarily in equity and equity-related instruments of corporations, which are incorporated in, or listed in, or operating principally from, or carrying on significant business in, or derive substantial revenue from, or whose subsidiaries, related or associated corporations derive substantial revenue from, the People's Republic of China (PRC) and the Republic of India (India).

Manager's / Sub-Manager's Commentary

Fund performance

The Fund declined 57.6% over the review period, underperforming its benchmark's 57.1% decline¹.

Market background

The year under review was volatile in terms of broad economic swings and ensuing market performance. Early on, China and India contended with high valuation, monetary tightening and inflation. By the latter half of 2008, fears of an economic slowdown flared in each economy as a result of the financial crisis in the US. The subsequent rapid deceleration of consumption and exports had a significantly negative impact on market performance for both India and China. However, investor confidence rebounded at the close of the year primarily due to a number of monetary and fiscal policy announcements. The India government initiated a US\$4billion stimulus package and in an effort to facilitate liquidity, the Central bank implemented a succession of rate cuts in the second half of 2008. Meanwhile, the MSCI China trended lower in 2008 but finished the year on a positive note as it advanced by 10.5% in December², its biggest gain since April. The upswing followed a 27 basis point cut in interest rates which was the fifth since September. The improvement in sentiment at the end of the year was also attributable to speculation that a second stimulus package may be unveiled in 2009.

¹ The comparison is based on bid-to-bid basis

² MSCI Barra

PRU DRAGON PEACOCK FUND

Factors affecting performance³

Some of the Fund's overweight financial positions in India detracted from performance, including Reliance Capital Ltd and Infrastructure Development Finance Company Limited. In China, overweight positions in China Shenhua Energy Company Limited, China Railway Group Limited and Gome Electrical Appliances Holding Ltd also detracted. Underweight on materials companies such as China Coal Energy Company Limited, Yanzhou Coal Mining Company Limited, Tata Steel Ltd and JSW Steel Ltd contributed to relative performance.

Key changes to the portfolio³

During the period under review, we liquidated DLF Limited ("DLF"), a developer of residential, commercial, and retail properties in India. We liked DLF's asset mix, land bank and execution record which previously made it a relatively insulated play during challenging times, but the beginning of a slowdown is visible with a likely decline in earnings. The Fund's position in Idea Cellular Ltd was also closed as operating expenditure for network rollout is likely to impact margins for several quarters. A new position was established in Hindustan Unilever Ltd, a consumer manufacturer that has successfully passed through material costs. A new position was also taken in Gail (India) Limited, a producer and distributor of natural gas and petrochemicals. The company has a strong bottom line and defensive gas transmission earnings. Another defensive position was taken in Bharat Heavy Electricals Ltd ("BHEL"). With 14 plants and 8 service centers, BHEL is India's dominant producer of power and industrial machinery.

Outlook

We maintain our long-term investment thesis on India and believe that the growth story will be largely driven by the infrastructure and consumer sectors. Oil prices and commodity costs have continued to decline while the Reserve Bank of India has stepped up efforts to support liquidity and growth with an aggressive stimulus package and a succession of rate cuts. Although the Rupee declined in 2008, proactive central bank activity may provide some support going forward. We believe that amid a slowing global growth environment, India, while not completely insulated, is positioned well to recover. We expect populist measures will address negative sentiment brought about by the economic slowdown. The new government will likely provide additional fiscal stimulus.

In China, economic numbers have confirmed investors' concern regarding a slowdown. On the positive side, however, the government is responding aggressively and has announced a stimulus package of Rmb 4 trillion for the next two years along with several rate cuts. With low consumer debt, China has significant consumption power. The Fund is strategically positioned to benefit from our overweight positions in both consumers and industrials. Further investment in underweight sectors will be considered on a stock selection basis using a bottom-up approach.

³ Please note that the securities mentioned herein are included for illustration purposes only. It should not be construed as a recommendation to purchase or sell any particular securities. There is no guarantee that any securities discussed herein will remain in the portfolio of the Fund at the time you received this material or that securities sold have not been repurchased.

PRU DRAGON PEACOCK FUND

(As at 31 December 2008)

Fund Performance

(As at 31 December 2008)

Sub-Fund/Benchmark	3 months (%)	6 months (%)	1 year (%)	3 years (%)	Since inception ⁺ (%)
			(average annual compounded return)		
PRU Dragon Peacock Fund	-21.8	-32.4	-57.6	-2.0	7.2
<u>Composite Benchmark</u>					
50% MSCI China Index	-19.1	-31.3	-57.1	2.2	13.6
50% MSCI India Index					

Source: Prudential Asset Management (Singapore) Limited and Bloomberg. The return is in S\$, and calculated on a bid-to-bid basis with net income reinvested.

There has been no dividend distribution since the launch of the Fund on 18 May 2004.

⁺ The first date of valuation of the Fund was 21 June 2004.

Past performance is not necessarily indicative of the future performance of the Fund.

PRU DRAGON PEACOCK FUND

(As at 31 December 2008)

Exposure to Derivatives

Nil.

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

Nil.

Borrowings

Nil.

Related Party Transactions

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

Total Subscriptions and Redemptions for the year ended 31 December 2008

	SGD
Subscriptions	506,790,126
Redemptions	459,264,251

Annualised Expense Ratio**

1.80% (2007: 1.68%)

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

Turnover Ratio

38.05% (2007: 72.84%)

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 extent 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 arrangements have been undertaken by the Manager in respect of PRU Dragon Peacock Fund. The soft dollar arrangements relate essentially to the use of analytical tool provided by a broker, ITG Hong Kong Limited ("ITG HK") for the purpose of assessing and monitoring the efficiency of trade execution. The Manager 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 the Manager.

PRU DRAGON PEACOCK FUND

(As at 31 December 2008)

The Manager 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 DRAGON PEACOCK FUND

Top 10 holdings

(As at 31 December 2008)

	Market Value SGD	% of Net Assets ***
China Mobile Limited	36,627,285	5.95
Reliance Industries Limited	34,829,300	5.66
China Unicom (Hong Kong) Limited	33,009,789	5.36
Industrial and Commercial Bank of China Co., Limited	32,494,938	5.28
HDFC Bank Limited	27,884,033	4.53
BYD Company Limited	27,517,348	4.47
Infosys Technologies Limited	26,940,953	4.38
ITC Limited	23,364,880	3.80
Bank of China Limited	23,005,858	3.74
China Petroleum & Chemical Corporation	21,886,391	3.56

Top 10 holdings

(As at 31 December 2007)

	Market Value SGD	% of Net Assets ***
China Mobile Limited	125,451,250	8.66
Reliance Industries Limited	124,824,477	8.62
ICICI Bank Limited	72,493,348	5.00
China Petroleum & Chemical Corporation	59,465,072	4.11
Reliance Capital Limited	43,038,258	2.97
Tata Power Co Limited	42,949,402	2.97
Bank Of China Limited	41,006,529	2.83
China Shenhua Energy Co Limited	40,290,285	2.78
Larsen & Toubro Limited	39,487,434	2.73
CNOOC Limited	39,325,681	2.71

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

PRU DRAGON PEACOCK FUND

Schedule of Investments

(As at 31 December 2008)

	Market Value SGD	% of Net Assets ***
Country		
Cayman Islands	11,004,450	1.79
China	179,193,429	29.12
Hong Kong	130,303,737	21.17
India	281,320,285	45.72
Industry		
Advertising	6,921,457	1.12
Agriculture	23,364,880	3.80
Auto & Trucks	9,792,910	1.59
Banks	117,630,483	19.11
Cement	6,962,416	1.13
Chemical	34,829,300	5.66
Consumer	21,064,038	3.42
Diversified Resource	6,856,439	1.12
E-Commerce	4,792,674	0.78
Electronics	49,162,940	7.98
Engineering & Construction	8,152,528	1.32
Finance	3,015,776	0.49
Gas	10,105,796	1.64
Insurance	10,460,271	1.70
Internet Software	42,679,624	6.94
Manufacturing	42,122,344	6.85
Mining	12,202,193	1.98
Petrol	67,032,020	10.90
Power	7,512,110	1.22
Real Estate	11,616,301	1.89
Telecom Service	79,771,236	12.96
Transport	16,829,235	2.74
Others	8,944,930	1.46
Asset Class		
Equities	601,821,901	97.80
Other net current assets	13,554,385	2.20

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

Prudential Unit Trusts – GLOBAL BASICS FUND (“PRU GLOBAL BASICS FUND”)

Included under the CPF Investment Scheme – Ordinary Account*

Structure

PRU Global Basics Fund (the “Fund”) is organised as a feeder fund, which feeds into Sterling Class A shares of the M&G Investment Funds (1) – M&G Global Basics Fund (“M&G Global Basics Fund”), domiciled in the United Kingdom.

The investment manager of the M&G Global Basics Fund is the UK domiciled M&G Investment Management Limited.

The Manager is currently offering three Classes of Units in the PRU Global Basics Fund, namely, SGD Class, USD Class and Euro Class. There are no material differences between the three Classes save for the difference in the base currency of each Class. Units of the SGD Class shall hereinafter be referred to as “PRU Global Basics SGD Class”, Units of the USD Class shall hereinafter be referred to as “PRU Global Basics USD Class” and Units of the Euro Class shall hereinafter be referred to as “PRU Global Basics Euro Class”.

Investors should note that the PRU Global Basics USD Class and PRU Global Basics Euro Class may be subject to foreign exchange risk and currency conversion costs. In addition, a separate Net Asset Value per Unit (denominated in the relevant base currency), which may differ as a consequence of the aforesaid variable factors will be calculated for each Class.

Investment Objective

The investment objective of the PRU Global Basics Fund is to invest wholly or mainly in companies operating in basic industries (‘primary’ and ‘secondary’ industries) and also in companies that service these industries. The PRU Global Basics Fund may also invest in other global equities. The sole aim of the PRU Global Basics Fund is long-term capital growth. The Manager intends to achieve this investment objective by investing all or substantially all of the assets of the PRU Global Basics Fund into the M&G Global Basics Fund which shares the same investment objective.

Manager’s / Sub-Manager’s Commentary

Fund performance

The Fund dropped 47.1% over the review period while its benchmark fell 38.5%¹.

* Only the SGD Class units of the PRU Global Basics Fund are included under the CPFIS-Ordinary Account.

¹ The comparison is based on bid-to-bid basis. The performance mentioned above applies to SGD units only and not the USD and EUR classes.

PRU GLOBAL BASICS FUND

Market background

The period under review was an extremely challenging time for investors and companies alike. European equities fell heavily as the full extent of the global credit crisis came to light. Severe problems in the world's financial markets and the prospect of an economic slowdown caused many investors to indiscriminately dispose of their equity holdings regardless of the long-term fundamentals of the underlying businesses. Against this uncertain backdrop, large, well-established companies outperformed their smaller, less well-known peers as did companies with exposure to the most resilient parts of the economy, namely consumer staples. Meanwhile, the strong gains achieved by commodity shares in the first six months of the year were wiped out in the second half as investors worried about a decline in demand for raw materials.

Factors affecting performance²

Against a backdrop of falling commodity prices, the Fund's relatively high weighting in metal and mining companies, acted as a significant drag on performance. Fears that the current financial crisis will hurt an already vulnerable global economy and therefore dampen commodity requirements led many investors to dispose of their holdings in even the best managed of raw material providers. In such a harsh environment, the Fund's investment in commodity stocks, including mining groups Sherritt International Corporation and Peabody Energy, hurt performance.

Similarly, steel prices have suffered some of the biggest declines owing to worries that high inventory levels will hamper short-term demand. This had a pronounced knock-on effect on a range of other feed materials including iron ore, nickel, metallurgical coal and scrap metal, all of which are used in steel making processes. As a consequence, steel manufacturer Bluescope Steel Limited, platinum mining firm Lonmin plc and Johnson Matthey plc also saw their share prices lose significant value. In general, while the macroeconomic conditions and the characteristics of individual markets are of importance when it comes to investing in the raw material sectors, company fundamentals are more so. The businesses in which the Fund invests in this area, such as Bluescope Steel and Lonmin are asset-rich and attractively valued, as well as being exposed to structurally well supported end markets.

Iluka Resources Limited ("Iluka") and Santos Ltd ("Santos") successfully sidestepped the turbulence experienced by most commodity stocks to achieve attractive returns. Iluka produces mineral sands, in particular zircon and titanium, which have a number of industrial and manufacturing uses. Meanwhile, Malaysian state-owned oil & gas producer Petronas bought a 40% stake in Santos' proposed liquefied natural gas export project and will share development costs and provide access to its Asian markets.

² Please note that the securities mentioned herein are included for illustration purposes only. It should not be construed as a recommendation to purchase or sell any particular securities. There is no guarantee that any securities discussed herein will remain in the portfolio of the Fund at the time you received this material or that securities sold have not been repurchased.

PRU GLOBAL BASICS FUND

A dominant theme among the Fund's leading contributors over the 12-month review period was their exposure to the most resilient part of the economy, namely robust spending on consumer staples. US fertiliser producer Scotts Miracle-Gro Company ("Scotts") and consumer products manufacturers Colgate-Palmolive Company are cash generative companies that are successfully growing their earnings despite the weakening economic backdrop. Lower raw material prices helped buoy confidence in Scotts as did the company's strong set of full-year earnings.

Key changes to the portfolio²

We increased exposure to more defensive consumer-orientated areas of the market, making additions to holdings in Austrian fruit processing company Agrana Beteiligungs AG, consumer products providers PZ Cussons and Unilever plc as well as Australian rubber products manufacturer Ansell Limited and Irish food & ingredients manufacturer Kerry Group plc. We also established positions in US fast food outlet operator Yum!Brands Inc., US coffee chain Starbucks Corporation and Australian drinks provider Foster's Group Limited. All of these businesses are cash generative, boast superior earnings visibility and should benefit from steady sales in their domestic markets as well as long-term growth of consumer spending in developing markets, such as China and India.

A holding in US clothes manufacturer VF Corporation was sold because of concerns about the firm's core US business in light of the economic slowdown. We also trimmed investment in basic material stocks, closing positions in gases and engineering company Linde, energy firm TransCanada, coal mining groups Consol Energy Inc. and Patriot Coal Corporation, as well as potash manufacturer K&S Aktiengesellschaft. This activity is in line with the move to lower the Fund's investment in commodity providers in order to shore up the portfolio's defensive positioning and reduce risk levels.

We did, however, re-establish a holding in Australian diversified mining giant BHP Billiton in December. The Fund previously held a large position in BHP but we sold the stock on valuation grounds at the end of 2006. Since its peak in mid 2008, the company's share price has fallen more than 50% and hence the decision to reinvest in the face of compelling valuation.

Outlook

We believe that markets will remain volatile over the next few months as investors continue to be subjected to weak economic and company news. In these difficult circumstances, we believe that our focus on company fundamentals, in particular well established businesses with good earnings visibility and sound cash flows, which have proven their ability to generate sustainable high returns, will prove beneficial. We remain confident that the Fund's focus on such firms and indeed its diversified nature provides the balance necessary to outperform over the long term and across a range of market environments.

PRU GLOBAL BASICS FUND

Fund Performance

(As at 31 December 2008)

Sub-Fund/Benchmark	3 months (%)	6 months (%)	1 year (%)	3 year (%)	Since inception* (%)
			(average annual compounded return)		
PRU Global Basics Fund SGD Class	-30.0	-47.9	-47.1	-10.3	-8.6
FTSE Global Basics Composite Index SGD	-19.5	-32.0	-38.5	-7.4	-5.2
PRU Global Basics Fund USD Class	-30.5	-50.9	-47.1	-	-12.4
FTSE Global Basics Composite Index USD	-20.1	-35.9	-38.5	-	-7.0
PRU Global Basics Fund Euro Class	-29.9	-44.3	-	-	-45.2
FTSE Global Basics Composite Index Euro	-19.2	-27.3	-	-	-31.7

Source: Prudential Asset Management (Singapore) Limited and M&G Investment Management Limited. The return is calculated on a bid-to-bid basis with net income reinvested. The return for PRU Global Basics Fund SGD Class is calculated in S\$, the return for PRU Global Basics USD Class is calculated in US\$ and the return for PRU Global Basics Fund Euro Class is calculated in Euro.

There has been no dividend distribution since the launch of the Fund on 12 Sep 2005.

* The first date of valuation of PRU Global Basics Fund SGD Class was 18 Oct 2005, PRU Global Basics Fund USD Class was 11 Sep 2006 and PRU Global Basics Fund Euro Class was 6 May 2008.

Past performance is not necessarily indicative of the future performance of the Fund.

Schedule of Investments

(As at 31 December 2008)

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets***
	<u>United Kingdom</u>		
	M&G Investment Fund (1) - Global Basics Fund Net Accumulation Shares in Sterling Class A	308,610,831	99.94
24,210,053			
Total Investments		308,610,831	99.94
Other Net Current Assets		178,598	0.06
Total Net Assets Attributable to Unitholders		308,789,429	100.00

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

PRU GLOBAL BASICS FUND

(As at 31 December 2008)

Exposure to Derivatives

Nil.

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

The Fund invests SGD 308,610,831 equivalent to 99.94% of its net asset attributable to unitholders, in M&G Global Basics Fund Net Accumulation Shares in Sterling Class A.

Borrowings

Nil.

Related Party Transactions

The Fund invests SGD 308,610,831 equivalent to 99.94% of its net asset attributable to unitholders, in M&G Global Basics Fund Net Accumulation Shares in Sterling Class A.

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

Total Subscriptions and Redemptions for the year ended 31 December 2008

	SGD
Subscriptions	218,648,256
Redemptions	175,148,659

Annualised Expense Ratio**

1.74% (2007: 1.75%)

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

Turnover Ratio

13.97% (2007: 9.26%)

Soft Dollar Commission

Nil.

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

Nil.

M&G GLOBAL BASICS FUND
NET ACCUMULATION SHARES IN STERLING CLASS A SHARES

Top 10 Holdings

(As at 31 December 2008)

	Market Value GBP	% of Net Assets ***
Constellation Brands, Inc.	131,534,108	5.14
Santos Limited	126,276,614	4.94
Colgate-Palmolive Company	109,645,711	4.29
Unilever PLC	109,054,500	4.26
Imerys	98,210,353	3.84
European Aeronautic Defence & Space N.V.	95,285,061	3.73
Tullow Oil PLC	90,871,250	3.55
Ansell Limited	84,629,746	3.31
Eramet	78,670,023	3.08
Sims Group	78,619,003	3.07

Top 10 Holdings

(As at 31 December 2007)

	Market Value GBP	% of Net Assets***
Eramet	149,924,808	5.00
Constellation Brands Inc.	104,309,459	3.48
European Aeronautic Defence & Space N.V.	104,045,071	3.47
Tullow Oil PLC	103,800,000	3.46
Lonmin PLC	95,720,166	3.19
Pilgrim's Pride	88,176,193	2.94
Johnson Matthey PLC	83,471,700	2.78
Sims Group	80,595,305	2.69
Bluescope Steel Limited	79,498,703	2.65
FMC	78,209,634	2.61

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

Annualised Expense Ratio**

1.65%# (2007: 1.65%)

For the period 3 Sep 07 to 31 Aug 08.

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

Turnover Ratio

23.0% (2007: 40.6%)

M&G GLOBAL BASICS FUND
NET ACCUMULATION SHARES IN STERLING CLASS A SHARES

Schedule of Investments
(As at 31 December 2008)

	Market Value GBP	% of Net Assets***
Country		
Australia	515,470,011	20.15
Austria	83,683,928	3.27
Canada	25,562,446	1.00
France	236,429,199	9.25
Germany	57,855,496	2.26
Hong Kong	40,673,299	1.59
Ireland	67,605,197	2.64
Malaysia	35,780,778	1.40
Netherlands	95,285,061	3.73
Singapore	68,854,711	2.69
Spain	28,249,771	1.10
United Kingdom	436,977,706	17.08
United States of America	821,362,096	32.13

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

M&G GLOBAL BASICS FUND
NET ACCUMULATION SHARES IN STERLING CLASS A SHARES

Schedule of Investments (continued)

(As at 31 December 2008)

	Market Value GBP	% of Net Assets***
Industry		
Aerospace & Defence	157,564,061	6.16
Beverages	252,130,925	9.85
Chemicals	189,684,866	7.42
Construction & Materials	133,628,608	5.22
Food Producers	322,947,362	12.62
General Financial	35,780,778	1.40
General Industrials	124,529,525	4.87
Healthcare Equipment & Services	160,247,951	6.27
Household Goods	65,938,883	2.58
Industrial Metals	166,073,540	6.50
Industrial Transport	21,188,051	0.83
Leisure Goods	11,528,038	0.45
Mining	237,258,198	9.27
Oil & Gas Producers	220,410,677	8.62
Personal Goods	154,243,863	6.04
Pharmaceutical & Biotech	8,198,290	0.32
Support Services	78,619,003	3.07
Travel & Leisure	173,817,082	6.80
Asset Class		
Equities	2,513,789,696	98.29
Other net current assets	43,733,649	1.71

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

Prudential Unit Trusts – GLOBAL BALANCED FUND (“PRU GLOBAL BALANCED FUND”)

Included under the CPF Investment Scheme – Ordinary Account and Special Account

Structure

The PRU Global Balanced Fund is organized as a feeder fund which feeds into the United Kingdom – domiciled M&G Investment Funds (1) – M&G Global Basics Fund (“M&G Global Basics Fund”) for its equity participation and the Singapore – domiciled Legg Mason Global Bond Trust (“LMBGT”) for its bond participation.

The investment manager of the M&G Global Basics Fund is the UK domiciled M&G Investment Management Limited and the investment manager of the LMGBT is the Singapore incorporated Legg Mason International Equities (Singapore) Pte. Limited.

The investment sub-managers of the LMGBT are Western Asset Management Company Pte Ltd (“WAMC Pte Ltd”), Western Asset Management Company (“WAMC”) and Western Asset Management Company Limited (WAMCL”). WAMC manages the North America, South America and Central America portfolio of debt securities of the LMBGT and WAMCL manages the Europe, UK, Scandinavia, Middle East and Japan portfolio of debt securities of the LMGBT while WAMC Pte Ltd oversees the overall management of the portfolio of the LMBGT.

Investment Objective

The investment objective of the PRU Global Balanced Fund is to maximise total return in the medium to long term by investing primarily in a portfolio comprising global equities and high quality debt securities of major global bond markets.

Manager’s / Sub-Manager’s Commentary

Fund performance

The Fund fell 29.7% over the review period, while its benchmark declined by 23.1%¹.

Market background

2008 began with the sub-prime crisis which hit the financial and banking industry in the US spread worldwide, triggering a freeze in liquidity and a process of global deleveraging of a scale never seen before. Serious problems in the world’s financial markets caused widespread losses resulting in various financial companies worldwide being taken over, nationalized or declaring bankruptcy.

The spread of the financial crisis towards the ‘real’ economy placed huge stress on global equity markets, leading to sharp share price declines across sectors and geographies. The faster-growing markets of the ‘developing’ world, for a number of years the drivers of global economic growth succumbed to the slowdown in global trade and demand for their manufactured goods.

¹ The comparison is based on bid-to-bid basis

PRU GLOBAL BALANCED FUND

The past year also saw a huge response from central banks and policy makers to stabilise markets by injecting liquidity and financial stimuli. It is difficult to forecast when the current process of deleveraging will end or when liquidity will return to the marketplace, but there is a high probability that the policy response may help in ending this vicious cycle and restore some semblance of equilibrium.

Factors affecting performance

The Fund feeds into the M&G Global Basics Fund and the Legg Mason Global Bond Trust. For the year 2008, Legg Mason Global Bond Trust was up 4.70% while its benchmark was up 4.23%. The M&G Global Basics Fund (Sterling Class) was down 26.7% for the year 2008 as compared to its composite benchmark which was down 14.9%, thereby underperforming its benchmark by approximately 12%. The underperformance of the Fund vis-à-vis its benchmark could largely be attributed to the underperformance in underlying M&G Global Basics Fund.

Key changes to the portfolio

The Fund maintained its initial allocations of 60% towards Global Equities and 40% towards Global Fixed Income.

Outlook²

Looking forward, while equities valuation currently looks attractive, we are cognisant of the fact that the global economic outlook remains uncertain and there is a risk that corporate earnings could fall short of expectation. Given the current difficult economic environment, we have positioned the portfolio defensively, particularly in the food and beverage and consumer staples sectors, through companies such as Colgate-Palmolive Company, Unilever, Kerry Group plc, Foster Group Limited's and PZ Cussons. Consumer Goods now makes up about one-third of the equity holdings, of which Food Producers is now the Fund's largest sub-sector. We believe that these companies are well placed to benefit from the long-term structural trends of urbanisation and rising incomes in developing countries such as China, India, other parts of Asia, Latin America and the Middle East. In addition, these companies are also safely positioned in the current environment due to their globally diversified businesses, highly cash-generative nature, conservative finances and relative lack of sensitivity to the economic cycle.

The bond market has priced in a debt-deflationary cycle for years to come, and anything less catastrophic would be positive for investors with a bias away from risk-free government debt. Both investment-grade and high-yield corporate bonds, as well as securitised debt, should perform particularly well in such environment. The underlying global bond sub-fund looks to maintain an emphasis on select names in the financial sub-sector in Europe that were less exposed to asset price bubbles. Mortgage-backed securities continue to look attractive given

² Please note that the securities mentioned herein are included for illustration purposes only. It should not be construed as a recommendation to purchase or sell any particular securities. There is no guarantee that any securities discussed herein will remain in the portfolio of the Fund at the time you received this material or that securities sold have not been repurchased.

PRU GLOBAL BALANCED FUND

their central role in the Fed's reflationary strategy and we will look to hold our overweight position in the sector. The Fund's duration position remains short in the U.S. and long in Europe and the U.K. Most of the additional duration in Europe is achieved at the long end of the curve. Policy rates could remain unusually low for quite some time given the magnitude of dislocations in the financial system and extreme challenges facing the global economy for years to come. Currencies will most likely continue to play a large role in rebalancing global trading patterns. However, we expect volatility to remain elevated in the near-term and do not find opportunities compelling at this time from a risk-adjusted basis.

PRU GLOBAL BALANCED FUND

Fund Performance

(As at 31 December 2008)

Sub-Fund/Benchmark	3 months (%)	6 months (%)	1 year (%)	Since inception* (%)
			(average annual compounded return)	
PRU Global Balanced Fund	-16.4	-29.8	-29.7	-25.6
<u>Composite Benchmark</u>				
60% FTSE Global Basics Composite Index 40% Citigroup World Government Bond Index (S\$) ex Japan	-9.8	-18.2	-23.1	-19.7

Source: Prudential Asset Management (Singapore) Limited, Legg Mason International Equities (Singapore) Private Limited, M&G Investment Management Limited. The return is in S\$, and calculated on a bid-to-bid basis with net income reinvested.

There has been no dividend distribution since the launch of the Fund on 28 Aug 2007.

* The first date of valuation of PRU Global Balanced Fund was 1 October 2007.

Past performance is not necessarily indicative of the future performance of the PRU Global Balanced Fund.

Schedule of Investments

(As at 31 December 2008)

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets***
	<u>United Kingdom</u>		
	M&G Investment Fund (1) - Global Basics Fund Net Accumulation Shares in Sterling Class A	22,577,902	59.98
1,771,202			
	<u>Singapore</u>		
	Legg Mason Global Bond Trust	14,758,438	39.21
12,257,839			
Total Investments		37,336,340	99.19
Other Net Current Assets		304,038	0.81
Total Net Assets Attributable to Unitholders		37,640,378	100.00

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

PRU GLOBAL BALANCED FUND

(As at 31 December 2008)

Exposure to Derivatives

Nil.

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

The Fund invests SGD 22,577,902, equivalent to 59.98% and SGD 14,758,438 equivalent to 39.21% of its net asset value attributable to unitholders, in M&G Investment Fund (1) - Global Basics Fund Net Accumulation Shares in Sterling Class A and Legg Mason Global Bond Trust respectively.

Borrowings

Nil.

Related Party Transactions

The Fund invests SGD 22,577,902, equivalent to 59.98% of its net asset value attributable to unitholders, in M&G Investment Fund (1) - Global Basics Fund Net Accumulation Shares in Sterling Class A.

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

Total Subscriptions and Redemptions for the year ended 31 December 2008

	SGD
Subscriptions	217,087,964
Redemptions	192,310,800

Annualised Expense Ratio**

1.68% (2007: 1.71 %)

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

Turnover Ratio

85.81% (2007: 2.75%)

Soft Dollar Commission

Nil.

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

Nil.

M&G GLOBAL BASICS FUND
NET ACCUMULATION SHARES IN STERLING CLASS A SHARES

Top 10 Holdings

(As at 31 December 2008)

	Market Value GBP	% of Net Assets***
Constellation Brands, Inc.	131,534,108	5.14
Santos Limited	126,276,614	4.94
Colgate-Palmolive Company	109,645,711	4.29
Unilever PLC	109,054,500	4.26
Imerys	98,210,353	3.84
European Aeronautic Defence & Space N.V.	95,285,061	3.73
Tullow Oil PLC	90,871,250	3.55
Ansell Limited	84,629,746	3.31
Eramet	78,670,023	3.08
Sims Group	78,619,003	3.07

Top 10 Holdings

(As at 31 December 2007)

	Market Value GBP	% of Net Assets***
Eramet	149,924,808	5.00
Constellation Brands Inc.	104,309,459	3.48
European Aeronautic Defence & Space N.V.	104,045,071	3.47
Tullow Oil PLC	103,800,000	3.46
Lonmin PLC	95,720,166	3.19
Pilgrim's Pride	88,176,193	2.94
Johnson Matthey PLC	83,471,700	2.78
Sims Group	80,595,305	2.69
Bluescope Steel Limited	79,498,703	2.65
FMC	78,209,634	2.61

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

Annualised Expense Ratio**

1.65%# (2007: 1.65%)

For the period 3 Sep 07 to 31 Aug 08.

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

Turnover Ratio

23.0% (2007: 40.6%)

M&G GLOBAL BASICS FUND
NET ACCUMULATION SHARES IN STERLING CLASS A SHARES

Schedule of Investments

(As at 31 December 2008)

	Market Value GBP	% of Net Assets***
Country		
Australia	515,470,011	20.15
Austria	83,683,928	3.27
Canada	25,562,446	1.00
France	236,429,199	9.25
Germany	57,855,496	2.26
Hong Kong	40,673,299	1.59
Ireland	67,605,197	2.64
Malaysia	35,780,778	1.40
Netherlands	95,285,061	3.73
Singapore	68,854,711	2.69
Spain	28,249,771	1.10
United Kingdom	436,977,706	17.08
United States of America	821,362,096	32.13

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

M&G GLOBAL BASICS FUND
NET ACCUMULATION SHARES IN STERLING CLASS A SHARES

Schedule of Investments (continued)

	Market Value GBP	% of Net Assets***
Industry		
Aerospace & Defence	157,564,061	6.16
Beverages	252,130,925	9.85
Chemicals	189,684,866	7.42
Construction & Materials	133,628,608	5.22
Food Producers	322,947,362	12.62
General Financial	35,780,778	1.40
General Industrials	124,529,525	4.87
Healthcare Equipment & Services	160,247,951	6.27
Household Goods	65,938,883	2.58
Industrial Metals	166,073,540	6.50
Industrial Transport	21,188,051	0.83
Leisure Goods	11,528,038	0.45
Mining	237,258,198	9.27
Oil & Gas Producers	220,410,677	8.62
Personal Goods	154,243,863	6.04
Pharmaceutical & Biotech	8,198,290	0.32
Support Services	78,619,003	3.07
Travel & Leisure	173,817,082	6.80
Asset Class		
Equities	2,513,789,696	98.29
Other net current assets	43,733,649	1.71

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

LEGG MASON GLOBAL BOND TRUST

Top 10 Holdings

(As at 30 September 2008)

	Market Value SGD	% of Net Assets***
Bundesrepublik Deutschland Series 04 3.75% 04/01/2015	49,665,211	13.27
Government of France BTan 3.5% 12/01/2009	40,502,883	10.82
Bundesrepublik Deutschland Series 0303 4.25% 04/01/2014	30,921,862	8.26
Fannie Mae Conventional Loan #41783 25/06/2038	28,304,329	7.56
UK Treasury 4.75% 07/06/2010	23,418,480	6.26
US Treasury Note 3.875% 15/09/2010	19,833,552	5.30
Government of Netherlands 4% 15/01/2037	16,710,819	4.46
Bundesobligation Series 143 3.5% 10/10/2008	13,693,103	3.66
US Treasury Note 4.75% 15/08/2017	11,389,866	3.04
Government of France Oat 4% 25/10/2013	11,234,157	3.00

Top 10 Holdings

(As at 30 September 2007)

	Market Value SGD	% of Net Assets***
Bundesrepub Deutschland Series 04 3.75% 04/01/2015	28,664,054	9.44
UK Treasury 4.75% 07/06/2010	27,713,553	9.15
FNMA 30 Yr November Fwd 01/11/2037	24,399,951	8.05
US Treasury Note 3.875% 15/09/2010	19,749,404	6.52
Government of Netherlands 4% 15/01/2037	18,177,541	6.00
Bundesobligation Series 141 4.25%15/02/2008	16,256,318	5.36
Bundesobligation Series 143 3.50%10/10/2008	14,803,003	4.89
Kingdom of Belgium Series 28 5.75% 28/03/2008	14,673,588	4.84
Government of France Oat 4% 25/10/2013	12,084,090	3.99
United States Treasury Note 4.5% 15/11/2015	11,521,410	3.80

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

Annualised Expense Ratio**

0.94%# (2007: 0.90%)

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

For the period 1 Oct 07 to 30 Sep 08

Turnover Ratio

67.14%^ (2007: 132.78%)

^ For the period 1 Apr 08 to 30 Sep 08

LEGG MASON GLOBAL BOND TRUST

Schedule of Investments

(As at 30 September 2008)

	Market Value SGD	% of Net Assets***
Country		
Australia	1,972,210	0.53
Canada	3,609,301	0.96
Denmark	1,304,118	0.35
France	77,307,685	20.65
Germany	101,740,331	27.17
Great Britain	26,961,013	7.20
Netherlands	18,413,016	4.92
Supra-National	398,046	0.11
Sweden	4,512,925	1.21
United States of America	92,936,048	24.82
Industry		
Bank	3,395,596	0.90
Electronic	1,528,066	0.41
Finance	13,693,103	3.66
Government	298,516,275	79.73
Investment	398,046	0.11
Miscellaneous	10,839,205	2.90
Transport	784,402	0.21
Credit Ratings (by S&P/Moody's)		
AAA	310,905,110	83.06
Aaa	16,977,566	4.52
AA-	1,272,017	0.34
Asset Class		
Bonds	329,154,693	87.92
Other net current assets	45,232,013	12.08

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

Prudential Unit Trusts – ASIAN INFRASTRUCTURE EQUITY FUND (“PRU ASIAN INFRASTRUCTURE EQUITY FUND”)

Structure

The PRU Asian Infrastructure Equity Fund (the “Fund”) is organised as a feeder fund which feeds into the Luxembourg – domiciled International Opportunities Funds – Asian Infrastructure Equity (“IOF – Asian Infrastructure Equity”).

The investment manager of IOF – Asian Infrastructure Equity is the Manager.

The Manager is currently offering three Classes of Units in the Fund, namely, SGD Class, USD class and Euro Class. There are no material differences between the three classes save for the difference in the base currency of each Class. Units of the SGD Class shall hereinafter be referred to as the “SGD Class Units”, Units in the USD Class shall hereinafter be referred to as the “USD Class Units” and Units in the Euro Class shall hereinafter be referred to as the “Euro Class Units”

Investors should note that the USD Class Units and Euro Class Units may be subject to foreign exchange risk and currency conversion costs. In addition, a separate Net Asset Value per Unit (denominated in the relevant base currency), which may differ as a consequence of the aforesaid variable factors will be calculated for each Class.

Investment Objective

The investment objective of the PRU Asian Infrastructure Equity Fund is to maximise long-term capital appreciation by investing primarily in equity and equity-related securities of corporations deriving substantial revenue from, or whose subsidiaries, related or associated corporations are engaged in, infrastructure or related business and are incorporated in, or listed in, or operating principally from the Asia ex-Japan region.

The PRU Asian Infrastructure Equity Fund may also invest in depository receipts including American Depository Receipts (ADRs) and Global Depository Receipts (GDRs), debt securities convertible into common shares, preference shares and warrants.

The Manager intends to achieve this investment objective by investing all or substantially all of the assets of the PRU Asian Infrastructure Equity Fund into the IOF - Asian Infrastructure Equity which shares the same investment objective.

Investors should note that “infrastructure” or “infrastructure related” may be capable of wide-ranging interpretation. The Manager has the sole discretion to decide as to what constitute “infrastructure” or “infrastructure related” investments for the purposes of any such investments under the PRU Asian Infrastructure Equity Fund and / or IOF - Asian Infrastructure Equity.

PRU ASIAN INFRASTRUCTURE EQUITY FUND

Manager's / Sub-Manager's Commentary

Fund performance

The Fund declined 31.1% over the review period, outperforming its benchmark loss of 41.8%¹.

Market background

Infrastructure stocks performed in line with the broader market over the year. Within infrastructure, sectors such as industrials and energy underperformed while utilities and telecoms outperformed. Later in the year, as the global economy began to slow, Asian governments reinforced infrastructure spending plans which supported stocks with exposure going forward.

Factors affecting performance²

The key strategy that helped performance over this period was the focus on China stocks. Avoiding companies in countries such as Taiwan, Hong Kong and Korea was also beneficial to performance. Our focus on utility and telecom stocks also helped performance. The Fund has also benefited from being exposed to the industrial sectors across Asia, while avoiding materials stocks.

At a stock level, positive performance came from companies such as Far Eastone, S1 Corporation, Singapore Telecommunications, Bharti Airtel Ltd ("Bharti Airtel"). On the back of infrastructure spending announcements from the Chinese government, several China infrastructure stocks performed well such as Guangdong Investments Limited, Chunghwa Telecom Co., Ltd, China Railway, and Angang Steel Company Limited ("Angang Steel") among others. Detractors to performance came from Daelim Industrial Group Limited and Larsen & Toubro Limited ("Larsen & Toubro").

Key changes to the portfolio²

The key trades within the Fund over the year tended to be those within China as infrastructure spending plans were reiterated. One of the most significant trades was a new holding in Angang Steel. This Chinese steel company was bought at a significant discount and subsequently rallied aggressively. We also benefited from new China positions in China Shipping Development and Sinotruk (Hong Kong) Limited. Within Indonesia, we sold the holding in Astra International before commodity prices hurt performance. In Korea, we added POSCO and Hyundai Heavy Industries Co., Ltd to maintain our position as Korea equities tumbled. In Thailand, we added Thai Tap Water and PTT Chemical later on very undemanding valuations. In India, we added to Bharti Airtel and Gail India while selling out of Larsen and Toubro.

¹ The comparison is based on bid-to-bid basis. The performance mentioned above applies to SGD units only and not the USD and EUR classes.

² Please note that the securities mentioned herein are included for illustration purposes only. It should not be construed as a recommendation to purchase or sell any particular securities. There is no guarantee that any securities discussed herein will remain in the portfolio of the Fund at the time you received this material or that securities sold have not been repurchased.

PRU ASIAN INFRASTRUCTURE EQUITY FUND

Outlook

Governments throughout Asia have reiterated their commitment to spending on infrastructure to stimulate domestic demand in a deteriorating environment. With Asian government balance sheets stronger than any time in the last 10 years, they are well placed to do so. With valuations of infrastructure stocks around historical lows, we believe this is an attractive opportunity for investors to buy into and benefit from infrastructure spending. We continue to favour China and other economies with strong domestic investment and demand stories. The Fund remains overweight utilities, telecoms and industrial sectors and underweight the materials sectors. We are also looking to add to growth stocks as and when opportunities arise.

PRU ASIAN INFRASTRUCTURE EQUITY FUND

Fund Performance

(As at 31 December 2008)

Sub-Fund/Benchmark	3 month (%)	6 month (%)	Since inception* (%)
PRU Asian Infrastructure Equity Fund SGD Class	-10.0	-22.1	-31.1
MSCI AC Asia ex Japan Index SGD	-20.9	-35.8	-41.8
PRU Asian Infrastructure Equity Fund USD Class	-10.7	-26.5	-34.5
MSCI AC Asia ex Japan Index USD	-21.5	-39.5	-44.3
PRU Asian Infrastructure Equity Fund EUR Class	-9.5	-16.6	-26.0
MSCI AC Asia ex Japan Index EUR	-20.7	-31.4	-37.5

Source: Prudential Asset Management (Singapore) Limited and Bloomberg. The return is calculated on a bid-to-bid basis with net income reinvested. The return for PRU Asian Infrastructure Equity SGD Class is calculated in S\$, the return for PRU Asian Infrastructure Equity USD Class is calculated in US\$ and return for PRU Asian Infrastructure Equity EUR Class is calculated in Euro.

There has been no dividend distribution since the launch of the Fund on 6 March 2008.

* The first date of valuation of the Fund was 1 April 2008.

Past performance is not necessarily indicative of the future performance of the Fund.

Schedule of Investments

(As at 31 December 2008)

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets ***
	<u>Luxembourg</u>		
	International Opportunities Funds: - Asian Infrastructure Equity Class C		
517,924		5,063,705	99.71
Total Investments		5,063,705	99.71
Other Net Current Assets		14,958	0.29
Total Net Assets Attributable to Unitholders		5,078,663	100.00

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

PRU ASIAN INFRASTRUCTURE EQUITY FUND

(As at 31 December 2008)

Exposure to Derivatives

Nil.

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

The Fund invests SGD 5,063,705, equivalent to 99.71% of its net asset value attributable to unitholders, in International Opportunities Funds - Asian Infrastructure Equity Class C.

Borrowings

Nil.

Related Party Transactions

The Fund invests SGD 5,063,705, equivalent to 99.71% of its net asset value, in International Opportunities Funds - Asian Infrastructure Equity Class C. Some directors of the International Opportunities Funds, an open-ended investment company registered in Luxembourg, are also directors of Prudential Asset Management (Singapore) Limited.

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

Total Subscriptions and Redemptions for the year ended 31 December 2008

	SGD
Subscriptions	6,857,460
Redemptions	746,207

Annualised Expense Ratio**

4.06%#

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

Turnover Ratio

32.39%#

For the period from 6 March 2008 to 31 December 2008.

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 extent 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.

PRU ASIAN INFRASTRUCTURE EQUITY FUND

Soft dollar arrangements have been undertaken by the Manager in respect of the sub-funds of the International Opportunities Funds (“underlying fund”) which the PRU Asian Infrastructure Equity Fund feeds into. Such softing services relate essentially includes 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 extent 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 arrangements have also been undertaken by the Manager in respect of the underlying fund. The soft dollar arrangements relate essentially to the use of analytical tool provided by a broker, ITG Hong Kong Limited (“ITG HK”) for the purpose of assessing and monitoring the efficiency of trade execution. The Manager 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 the Manager.

The Manager 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.

INTERNATIONAL OPPORTUNITIES FUNDS – ASIAN INFRASTRUCTURE EQUITY

Top 10 Holdings

(As at 31 December 2008)

	Market Value USD	% of Net Assets***
China Mobile Limited	5,872,612	8.09
Korea Electric Power Corporation	3,544,104	4.88
China Railway Group Inc	3,234,454	4.46
Guangdong Investment Limited	2,610,780	3.60
Singapore Telecommunication	2,446,068	3.37
Jiangsu Expressway Company Limited	2,328,529	3.21
Bharti Airtel Limited	2,327,203	3.21
Chunghwa Telecom Co Limited	2,306,473	3.18
Reliance Industries Limited	2,261,777	3.12
Macquarie Korea Infrastructure	2,229,063	3.07

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

Annualised Expense Ratio**

1.17%

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

Turnover Ratio

40.65%

INTERNATIONAL OPPORTUNITIES FUNDS – ASIAN INFRASTRUCTURE EQUITY

Schedule of Investments

(As at 31 December 2008)

	Market Value USD	% of Net Assets ***
Country		
Bermuda	2,012,602	2.77
China	7,375,032	10.17
Hong Kong	21,545,800	29.69
India	9,032,027	12.45
Indonesia	263,368	0.36
Malaysia	3,456,885	4.77
Paraguay	1,511,084	2.08
Philippines	588,740	0.81
Singapore	4,048,128	5.58
South Korea	9,745,827	13.42
Taiwan	7,694,594	10.59
Thailand	4,283,556	5.91
Industry		
Building & Construction	2,271,806	3.13
Chemicals & Pharmaceuticals	3,044,038	4.20
Diversified Operations	6,777,657	9.33
Electronics & Electrical Equipment	5,188,996	7.15
Energy	6,048,822	8.33
Engineering	3,184,933	4.39
Extractive Industries	2,601,921	3.59
Manufacturing	3,242,389	4.47
Public Utilities	17,736,745	24.44
Transport & Telecommunications	21,460,336	29.57
Asset Class		
Equities	71,557,644	98.60
Other net current assets	1,018,866	1.40

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

Prudential Unit Trusts – GLOBAL LEADERS FUND ("PRU GLOBAL LEADERS FUND")

Included under the CPF Investment Scheme – Ordinary Account

Structure

PRU Global Leaders Fund is organised as a feeder fund, which feeds into Euro Class A shares of the M&G Investment Funds (1) – M&G Global Leaders Fund ("M&G Global Leaders Fund"), domiciled in the United Kingdom.

The investment manager of the M&G Global Leaders Fund is the UK domiciled M&G Investment Management Limited.

Investment Objective

The investment objective of the PRU Global Leaders Fund is to maximise long-term total return (the combination of income and growth of capital) by investing in a wide range of global equities that the Manager considers to be leading in their field. The Manager intends to achieve this investment objective by investing all or substantially all of the assets of the PRU Global Leaders Fund into the M&G Global Leaders Fund which shares the same investment objective.

Manager's / Sub-Manager's Commentary

Fund performance

The Fund fell 38.8% over the review period while its benchmark lost 28.7%¹.

Market background

Global markets came under intense pressure in 2008 as limited access to credit and fears over a prolonged economic downturn pushed down equity returns. The stability of the global financial system was called into question after the failure of many major players within the banking sector, including US investment bank Lehman Brothers Holdings, Inc. Economic activity was severely affected by the banking crisis, with the US, the UK and Europe moving into recession while Asian economies slowed sharply. Towards the end of the year, the demand for commodities fell dramatically, affecting emerging markets in particular. At the same time, housing markets remained depressed and consumer spending came under pressure from tighter credit and rising unemployment, particularly in the US. Consequently, the portfolio's holdings in commodity producers and makers of consumer goods significantly contributed to the fund's underperformance.

Factors affecting performance²

The Fund's underperformance was due to stock-specific disappointments, particularly within consumer goods and basic materials, including holdings in electronics maker Sony Group and mining group Sherritt International Corporation ("Sherritt"). However, the biggest detractor from Fund performance was Genworth Financial, Inc. ("Genworth"). The

¹ The comparison is based on bid-to-bid basis.

² Please note that the securities mentioned herein are included for illustration purposes only. It should not be construed as a recommendation to purchase or sell any particular securities. There is no guarantee that any securities discussed herein will remain in the portfolio of the Fund at the time you received this material or that securities sold have not been repurchased.

PRU GLOBAL LEADERS FUND

US insurer was forced to write down the value of many of its assets, leading to concerns about its financial position and continuing viability. The Fund's position in Genworth was closed during the year.

Oil explorer Sibir Energy plc ("Sibir") also disappointed as the company's share price came under pressure from the steep drop in oil price. Sibir also suffered from negative sentiment towards companies operating in Russia and serious corporate governance issues. Sibir also left the portfolio in 2008.

Some of the losses were offset by the Fund's holdings in pharmaceuticals, which performed well on account of their defensive characteristics. Contributors from this sector included Astellas Pharma Inc. and Daiichi Sankyo Co., Ltd. Furthermore, good stockpicking within financials, in particular not holding AIG and Royal Bank of Scotland plc, helped relative performance.

Key changes to the portfolio²

The Fund's overweight position in basic materials was reduced to an underweight by selling the holdings in mining groups such as Sherritt as the sector has suffered from falling commodity prices amid the slowing economy. We also decreased the portfolio's exposure to companies whose sensitivity to a downturn is likely to outweigh any benefits of positive internal change. Examples of closed positions in this sphere included chemical Co., Ltd company Sumitomo Chemical, semiconductor maker STMicroelectronics and aircraft equipment manufacturer Spirit AeroSystems, Inc.

On the other hand, we significantly increased the portfolio's weighting in healthcare by initiating holdings in Pfizer Inc. and Merck & Co, Inc. as the pharmaceutical firms should be well insulated from the slowing economy by their size and the geographic diversity of their operations.

Other new holdings included Google Inc. ("Google") and Microsoft Corporation ("Microsoft"). Google's search business has been a phenomenal success in driving growth, but whereas in the past the company has been somewhat complacent in terms of costs and acquisitions, now it seems to be undergoing a cultural change focused on improving capital discipline. Software giant Microsoft enjoys strong core franchises generating high returns. The company has also been able to return cash to shareholders, which is a sign of efficient capital management.

Outlook

In the short term, companies are likely to continue to come under pressure from the ongoing economic and financial crisis. Markets are likely to suffer from a high degree of volatility in the coming months. We continue to take steps to protect the Fund from sensitivity to cyclical risks by investing in both higher quality names and companies with strong balance sheets while avoiding companies where external conditions are undermining their ability to create shareholder value. That said, valuation remains pivotal to all investment decisions.

PRU GLOBAL LEADERS FUND

Fund Performance

(As at 31 December 2008)

Sub-Fund/Benchmark	3 months (%)	Since inception* (%)
PRU Global Leaders Fund	-26.7	-38.8
FTSE World Index	-21.3	-28.7

Source: Prudential Asset Management (Singapore) Limited and M&G Investment Management Limited. The return is in S\$, and calculated on a bid-to-bid basis with net income reinvested.

There has been no dividend distribution since the launch of the Fund on 4 June 2008.

* The first date of valuation of the Fund was 22 July 2008.

Past performance is not necessarily indicative of the future performance of the Fund.

Schedule of Investments

(As at 31 December 2008)

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets***
	<u>United Kingdom</u>		
	M&G Investment Funds (1)		
	- Global Leaders Fund Euro		
166,411	Class A Shares	2,536,215	98.32
Total Investments		2,536,215	98.32
Other Net Current Assets		43,223	1.68
Total Net Assets Attributable to Unitholders		2,579,438	100.00

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

PRU GLOBAL LEADERS FUND

(As at 31 December 2008)

Exposure to Derivatives

Nil.

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

The Fund invests SGD 2,536,215, equivalent to 98.32% of its net asset value attributable to unitholders, in M&G Investment Funds (1) – Global Leaders Fund Euro Class A Shares.

Borrowings

Nil.

Related Party Transactions

The Fund invests SGD 2,536,215, equivalent to 98.32% of its net asset value in M&G Investment Funds (1) – Global Leaders Fund Euro Class A Shares.

Refer to Note 10 of “Notes to the financial Statements”.

Total Subscriptions and Redemptions for the year ended 31 December 2008

	SGD
Subscriptions	4,866,096
Redemptions	722,432

Annualised Expense Ratio**

1.93%#

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

Turnover Ratio

23.21%#

For the period from 4 June 2008 to 31 December 2008.

Soft Dollar Commission

Nil.

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

Nil.

M&G GLOBAL LEADERS FUND
NET ACCUMULATION SHARES IN EUR CLASS A SHARES

Top 10 Holdings

(As at 31 December 2008)

	Market Value GBP	% of Net Assets***
Daiichi Sankyo Co. Limited	18,471,465	3.14
Astellas Pharmaceuticals, Inc.	17,675,758	3.00
Vodafone Group PLC	17,450,000	2.97
Wells Fargo & Company	17,088,178	2.90
Transcanada Pipelines Limited	16,795,776	2.85
Pfizer Inc.	16,664,558	2.83
Metro	16,374,401	2.78
Home Depot Inc.	15,852,111	2.69
Merck & Co.	15,288,816	2.60
Microsoft Corporation	15,221,536	2.59

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

Annualised Expense Ratio**

1.94%#

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

For the period from 3 Sep 07 to 31 Aug 08

Turnover Ratio

80.9%

M&G GLOBAL LEADERS FUND
NET ACCUMULATION SHARES IN EUR CLASS A SHARES

Schedule of Investments
(As at 31 December 2008)

	Market Value GBP	% of Net Assets***
Country		
Canada	29,492,220	5.01
Denmark	9,041,475	1.54
France	12,301,681	2.09
Germany	49,960,124	8.49
Hong Kong	13,434,441	2.28
Japan	67,676,008	11.50
Malaysia	8,822,658	1.50
Netherlands	29,958,315	5.10
Norway	10,045,273	1.71
South Korea	15,355,411	2.61
Switzerland	22,874,801	3.88
United Kingdom	49,027,134	8.33
United States of America	268,559,537	45.63

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

M&G GLOBAL LEADERS FUND
NET ACCUMULATION SHARES IN EUR CLASS A SHARES

Schedule of Investments (continued)

	Market Value GBP	% of Net Assets***
Industry		
Automobiles & Parts	16,247,597	2.77
Banks	54,509,457	9.25
Beverages	21,582,192	3.67
Chemicals	32,925,174	5.59
Electricity	6,883,081	1.17
Electronic & Electric Equipments	41,335,084	7.02
Food & Drug Retailers	4,510,683	0.77
General Financial	8,822,658	1.50
General Industrials	15,438,978	2.62
General Retailers	32,226,512	5.47
Health Care Equipment Services	2,873,509	0.49
Household Goods	7,221,182	1.23
Industrial Engineering	17,789,777	3.03
Industrial Transport	15,658,068	2.66
Leisure Goods	23,832,323	4.05
Life Insurance	21,839,158	3.71
Mining	5,426,750	0.92
Mobile Telecommunications	29,680,340	5.05
Oil & Gas Producers	56,249,082	9.57
Oil Equipment, Services & Distribution	26,492,252	4.50
Pharmaceutical & Biotechnology	81,543,477	13.85
Software & Computer Services	38,748,593	6.59
Support Services	11,072,327	1.88
Technology Hardware & Equipments	13,640,827	2.31
Asset Class		
Equities	586,549,076	99.67
Other net current assets	1,942,021	0.33

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

Prudential Unit Trusts – GLOBAL POSITIONING STRATEGY FUND ("PRU GLOBAL POSITIONING STRATEGY FUND")

Structure

The PRU Global Positioning Strategy Fund is organised as a feeder fund which feeds into the Luxembourg - domiciled International Opportunities Funds – Global Market Navigator ("IOF – Global Market Navigator").

The investment manager of IOF – Global Market Navigator is the Manager.

Investment Objective

The investment objective of the PRU Global Positioning Strategy Fund is to achieve positive absolute returns over the medium-term through the implementation of an actively managed asset allocation strategy in a diversified range of global assets including cash, equities, bonds and currencies. Exposure to each of the asset classes will be primarily through exchange traded funds ("ETF"), index futures, direct equity and bonds, swaps, options and foreign exchange forwards, each of which may be traded through recognized exchanges or via the over the counter markets.

The Manager intends to achieve this investment objective by investing all or substantially all of the assets of the PRU Global Positioning Strategy Fund into the IOF - Global Market Navigator which shares the same investment objective. For the avoidance of doubt, the actively managed asset allocation strategy will be implemented by the Manager only at the underlying fund level.

Manager's / Sub-Manager's Commentary

Fund performance

The Fund fell 10.5% over the review period while its benchmark gained 2.2%¹.

Market background

Financials markets had an exceptionally difficult 2008 with risky assets suffering unprecedented levels of volatility. A bad year for global equity and credit markets turned into a catastrophe when Lehman Brothers Holdings, Inc. was allowed to fail in September. This was probably the most important event for the year which triggered a collapse of the global financial system. At one juncture, US BBB credit spreads hit the all time peak recorded in the 1930s Great Depression. Although risky assets recovered some of the losses in December, they were still down significantly for the year.

Global equities registered a 40.3% decline in US dollar terms, high yield credit fell 26.4% whilst investment grade credit suffered a smaller loss of 6.8%². Reversing the 2007 trend, Emerging Markets equity plunged sharply; China and India were among the worst performers for the year amid rising global risk aversion.

¹ The comparison is based on bid-to-bid basis.

² Bloomberg

PRU GLOBAL POSITIONING STRATEGY FUND

In contrast, government bond markets saw a 10.9% gain for the year as investors sought safety amid the uncertainties². Interest rates and bond yields rose sharply early in the year in response to commodity-linked inflation. However, once growth and commodity prices collapsed in the second half of 2008, central banks rapidly lowered policy rates. The near vertical drop in global orders and production in the second half of 2008 and the sharp fall in commodity prices also caused the unwinding of the currency carry trade, which underpinned the Japanese Yen's strength and pushed high yield currencies such as the Australian and New Zealand Dollars sharply lower.

Factors affecting performance³

Throughout 2008, the Fund had a very low allocation to equities (averaged about 30%). Nonetheless, we did maintain core positions in UK and European equities through the year, as these markets were already at extreme valuations. This was a drag on absolute performance for most of the year, however.

The Fund also had a very low allocation to emerging markets all year. In spite of improved macro fundamentals, our view was that it was not sustainable for emerging markets to trade at a premium valuation to developed equity markets. This strategy broadly worked as emerging equities fell sharply in absolute terms and underperformed developed equities in the second half of 2008. We added a position in Russia in September, following the sharp correction in valuation. With hindsight, we were two months too early into this trade as global risk aversion drove the market's valuation below its previous trough levels. Nevertheless, we hold the view that Russia's macro-economic fundamentals is in a much stronger position now as compared to the 1998 crisis period and hence is not justifiable for the market to trade down to the previous trough valuations.

We held a core position in investment grade credit throughout the year due to the attractive valuation relative to government bonds. This position suffered in the third quarter; however it provided strong returns in December 2008 as corporate spreads (and yields) declined. US investment grade spreads hit the all time peak recorded in the Great Depression and in our view this represented a multi decade opportunity to purchase corporate bonds. We have maintained this position as we believe that credit may outperform equities in 2009.

Given our caution on equities, we maintained a high allocation to safe government bonds during 2008. In particular, we made good returns on our Australian and UK government bond positions as yields fell in response to slowing growth, falling inflation and short term interest rates. Currency wise, we have hedged (or avoided) exposure to British Pound, Euro and Australian Dollar throughout the year. While this was detrimental to performance in the first half of 2008, all three currencies weakened sharply against the US dollar in the second half as macroeconomic fundamentals deteriorated.

² Bloomberg

³ Please note that the securities mentioned herein are included for illustration purposes only. It should not be construed as a recommendation to purchase or sell any particular securities. There is no guarantee that any securities discussed herein will remain in the portfolio of the Fund at the time you received this material or that securities sold have not been repurchased.

PRU GLOBAL POSITIONING STRATEGY FUND

Key changes to the portfolio³

We used episodes of panic selling in markets to increase the Fund's allocation to equities (to a high of almost 80% in November) as valuations appeared to cheapen up to extreme levels. We subsequently trimmed the Fund's equity holdings (to around 25% as at end of December) into the market rebound as the rally appeared to be underpinned by fragile investor risk appetite rather than an improvement in fundamentals.

We avoided US high yield corporate bonds for most of 2008 and initiated a position in the late fourth quarter when high yield credit spreads moved to the widest on record - pricing roughly a 60% cumulative default rate over the next 5 years – wider than the recorded 46% during the Great Depression. This strategy worked particularly well in two ways. First, we avoided the sharp deterioration in credit in the first three quarters of the year. Secondly, high yield has performed strongly since we added the position in late November.

Outlook

Looking forward, we do not believe that equity markets are at a point where we will see a secular bull market as many OECD economies face the prospect of a deep, protracted recession. In addition, banks and consumers still need to de-leverage and this will probably weigh on growth and profits for several years. Moreover, US equity valuations appear to be only about fair and do not seem to offer much compensation for the significant economic and earnings risks that lie ahead. While some equity markets appear to be trading at extreme valuations, sustainable rallies will be dependent on the US market bottoming in our opinion. Nevertheless, we do expect bear market rallies in equities within a broad range.

We continue to favour markets that are already trading at extreme valuations where we believe there is sufficient compensation for the risks; these include equity markets of the UK, Singapore, Turkey and Russia. We also favour credits as they appear to offer extreme value at present and will probably deliver better risk adjusted returns than equities in 2009. We look to invest the cash into equities when opportunities arise.

PRU GLOBAL POSITIONING STRATEGY FUND

Fund Performance

(As at 31 December 2008)

Sub-Fund/Benchmark	3 months (%)	Since inception* (%)
PRU Global Positioning Strategy Fund	-10.5	-10.5
(USD 3-Month LIBOR +3%) per annum	2.2	2.2

Source: Prudential Asset Management (Singapore) Limited and Bloomberg. The return is in S\$, and calculated on a bid-to-bid basis with net income reinvested.

There has been no dividend distribution since the launch of the Fund on 18 August 2008.

* The first date of valuation of the Fund was 30 September 2008.

Past performance is not necessarily indicative of the future performance of the Fund.

Schedule of Investments

(As at 31 December 2008)

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets***
	<u>Luxembourg</u>		
	International Opportunities Funds – Global Market Navigator Class C		
192,617		2,358,302	99.37
Total Investments		2,358,302	99.37
Other Net Current Assets		14,928	0.63
Total Net Assets Attributable to Unitholders		2,373,230	100.00

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

PRU GLOBAL POSITIONING STRATEGY FUND

(As at 31 December 2008)

Exposure to Derivatives

Nil.

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

The Fund invests SGD 2,358,302, equivalent to 99.37% of its net asset value attributable to unitholders, in International Opportunities Funds - Global Market Navigator.

Borrowings

Nil.

Related Party Transactions

The Fund invests SGD 2,358,302 equivalent to 99.37% of its net asset value, in International Opportunities Funds - Global Market Navigator. Some directors of the International Opportunities Funds, an open-ended investment company registered in Luxembourg, are also directors of Prudential Asset Management (Singapore) Limited.

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

Total Subscriptions and Redemptions for the year ended 31 December 2008

	SGD
Subscriptions	2,830,246
Redemptions	227,179

Annualised Expense Ratio**

10.76%#

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

Turnover Ratio

11.73%#

For the period from 18 August 2008 to 31 December 2008.

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 extent 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.

PRU GLOBAL POSITIONING STRATEGY FUND

Soft dollar arrangements have been undertaken by the Manager in respect of the sub-funds of the International Opportunities Funds (“underlying fund”) which the PRU Global Positioning Strategy Fund feeds into. Such softing services relate essentially includes 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 extent 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 arrangements have also been undertaken by the Manager in respect of the underlying fund. The soft dollar arrangements relate essentially to the use of analytical tool provided by a broker, ITG Hong Kong Limited (“ITG HK”) for the purpose of assessing and monitoring the efficiency of trade execution. The Manager 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 the Manager.

The Manager 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.

INTERNATIONAL OPPORTUNITIES FUNDS – GLOBAL MARKET NAVIGATOR

Top 10 Holdings

(As at 31 December 2008)

	Market Value USD	% of Net Assets***
United State Disc 19/3/09	2,999,708	15.55
iShares iBoxx \$ High Yield Corporate Bond	2,069,248	10.72
iShares iBoxx \$ Invest Grade Corp. Bond	2,039,346	10.57
Market Vectors Russia ETF	1,243,410	6.44
iShares MSCI AC Far East ex-Japan	967,150	5.01
Long Gilt Futures Mar 09 *	41,669	0.22
MSCI Singapore Index ETS Jan09 *	32,968	0.17
FTSE 100 Index Future Mar09 *	30,147	0.16
ISE 30 Futures Index Feb 09 *	2,318	0.01

* As at 31 December 2008, the IOF – Global Market Navigator has the following open futures contracts:

Number of Contracts	Contract/Description	Expiration Date	Notional Amount USD
32	MSCI Singapore Index ETS	January 2009	974,780
281	ISE 30 Futures Index	February 2009	650,446
13	FTSE 100 Index Future	March 2009	829,366
4	Long Gilt Futures	March 2009	712,311

	Market Value USD	% of Net Assets***
Credit Ratings (by S&P's / Moody's)		
AAA	2,999,708	15.55
Not rated	6,426,256	33.30

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

Annualised Expense Ratio**

1.19%

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

Turnover Ratio

109.54%

INTERNATIONAL OPPORTUNITIES FUNDS – GLOBAL MARKET NAVIGATOR

Schedule of Investments

(As at 31 December 2008)

	Market Value USD	% of Net Assets ***
Country		
Ireland	967,150	5.01
Singapore	32,968	0.17
Turkey	2,318	0.01
United Kingdom	71,816	0.38
United States of America	8,351,712	43.28
Asset Class		
Futures	107,102	0.56
Mutual Fund	5,352,004	32.74
Treasury Bills	2,999,708	15.55
Other net current assets	9,868,856	51.15

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

Report Of the Trustee

The Trustee is under a duty to take into custody and hold the assets of Prudential Unit Trusts (“the Trust”) in trust for the unitholders. In accordance with the Securities and Futures Act (Cap 289), its subsidiary legislation and the Code on Collective Investment Schemes (collectively referred to as the “laws and regulations”), the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting period and report thereon to unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as the recommendations of the Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Certified Public Accountants of Singapore and the provisions of the Trust Deed.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the year covered by these financial statements set out on pages 95 to 135, comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of
HSBC Institutional Trust Services (Singapore) Limited

.....
Authorised Signatory

Singapore
27 March 2009

Statement by the Manager

In the opinion of the directors of Prudential Asset Management (Singapore) Limited, the accompanying financial statements set out on pages 95 to 135, comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements, are drawn up so as to present fairly, in all material respects, the financial position of Prudential Unit Trusts as at 31 December 2008 and the total return for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Certified Public Accountants of Singapore. At the date of this statement, there are reasonable grounds to believe that Prudential Unit Trusts will be able to meet its financial obligations as and when they materialise.

For and on behalf of the directors of
Prudential Asset Management (Singapore) Limited

.....
Suraj Mishra

Director

Singapore
27 March 2009

Independent auditors' report to the unitholders of Prudential Unit Trusts

(Constituted under a Trust Deed in the Republic Of Singapore)

We have audited the financial statements of Prudential Unit Trusts ("the Trust"), which comprise the Statement of Total Return for the year ended 31 December 2008, Balance Sheet and Portfolio Statement as at 31 December 2008, and a summary of significant accounting policies and other explanatory notes, as set out on pages 95 to 135.

Manager's Responsibility for the Financial Statements

The Trust's Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trust's Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the total return for the year ended 31 December 2008 and the financial position of the Trust as at 31 December 2008 in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

KPMG LLP

*Public Accountants and
Certified Public Accountants*

Singapore
27 March 2009

FINANCIAL STATEMENTS

For the year ended 31 December 2008 (audited)

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Prudential Unit Trusts

Statement of Total Return

Year ended 31 December 2008

Note	PRU Global Technology Fund		PRU Pan European Fund	
	Year ended 31/12/2008	Year ended 31/12/2007	Year ended 31/12/2008	Year ended 31/12/2007
	S\$	S\$	S\$	S\$
Income				
Interest	509	3,421	678	9,696
Dividend	-	-	-	-
Other income	-	-	-	-
	<u>509</u>	<u>3,421</u>	<u>678</u>	<u>9,696</u>
Less: Expenses				
Management fees	648,643	1,048,068	381,464	363,265
Registration fees	796	14,444	19,790	19,197
Trustee fees	36,332	45,064	29,108	34,831
Custody fees	-	-	-	-
Audit fees	8,998	6,300	6,983	4,799
Others	43,066	69,527	28,979	41,170
Reimbursement from the Manager	(61,000)	-	-	-
	<u>676,835</u>	<u>1,183,403</u>	<u>466,324</u>	<u>463,262</u>
Net income/(losses)	(676,326)	(1,179,982)	(465,646)	(453,566)
Net gains or losses on value of investments				
Net realised gains/(losses) on investments sold	1,012,267	12,638,627	(1,553,213)	2,590,055
Net change in fair value on investments	(51,484,783)	(6,297,588)	(36,529,829)	(2,636,399)
Net realised gains/(losses) on financial derivatives	-	-	-	-
Net change in fair value on financial derivatives	-	-	-	-
Net foreign exchange gains/ (losses)	-	-	-	-
Net gains/(losses) on value of investments	<u>(50,472,516)</u>	<u>6,341,039</u>	<u>(38,083,042)</u>	<u>(46,344)</u>
Total return/(deficit) for the year before income tax	(51,148,842)	5,161,057	(38,548,688)	(499,910)
Less: Income tax	-	-	-	-
Total return/(deficit) for the year after income tax before distribution	<u>(51,148,842)</u>	<u>5,161,057</u>	<u>(38,548,688)</u>	<u>(499,910)</u>
Less: Distribution	-	-	-	-
Total return/(deficit) for the year	<u>(51,148,842)</u>	<u>5,161,057</u>	<u>(38,548,688)</u>	<u>(499,910)</u>

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

Prudential Unit Trusts

Statement of Total Return

Year ended 31 December 2008

Note	PRU Protected Global Titans Fund (S\$)		PRU Asian Balanced Fund	
	Year ended 31/12/2008	Year ended 31/12/2007	Year ended 31/12/2008	Year ended 31/12/2007
	S\$	S\$	S\$	S\$
Income				
Interest	41,972	141,036	8,515	213,148
Dividend	-	-	-	-
Other income	-	864	-	-
	<u>41,972</u>	<u>141,900</u>	<u>8,515</u>	<u>213,148</u>
Less: Expenses				
Management fees	96,109	74,960	3,701,880	3,290,174
Registration fees	13,067	8,163	23,888	22,702
Trustee fees	8,509	8,291	294,573	264,649
Custody fees	2,567	1,336	-	-
Audit fees	7,436	3,000	11,300	7,799
Others	26,628	34,669	251,846	438,537
Reimbursement from the Manager	-	-	-	-
	<u>154,316</u>	<u>130,419</u>	<u>4,283,487</u>	<u>4,023,861</u>
Net income/(losses)	(112,344)	11,481	(4,274,972)	(3,810,713)
Net gains or losses on value of investments				
Net realised gains/(losses) on investments sold	462,211	505,420	(4,664,107)	28,142,181
Net change in fair value on investments	(79,177)	5,600	(263,035,963)	47,541,508
Net realised gains/(losses) on financial derivatives	-	(273)	-	(61,603)
Net change in fair value on financial derivatives	131,439	-	-	-
Net foreign exchange gains/ (losses)	(29,529)	(95)	(79,267)	60,696
Net gains/(losses) on value of investments	<u>484,944</u>	<u>510,652</u>	<u>(267,779,337)</u>	<u>75,682,782</u>
Total return/(deficit) for the year before income tax	372,600	522,133	(272,054,309)	71,872,069
Less: Income tax	3	-	-	-
Total return/(deficit) for the year after income tax before distribution	<u>372,600</u>	<u>522,133</u>	<u>(272,054,309)</u>	<u>71,872,069</u>
Less: Distribution	-	-	-	-
Total return/(deficit) for the year	<u>372,600</u>	<u>522,133</u>	<u>(272,054,309)</u>	<u>71,872,069</u>

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

Prudential Unit Trusts

Statement of Total Return

Year ended 31 December 2008

		PRU Dragon Peacock Fund	
	Note	Year ended 31/12/2008	Year ended 31/12/2007
		S\$	S\$
Income			
Interest		1,814	144,693
Dividend		12,118,089	8,958,249
Others		-	-
		12,119,903	9,102,942
Less: Expenses			
Management fees		16,410,692	16,504,115
Registration fees		31,963	42,194
Trustee fees		447,783	517,837
Custody fees		122,218	133,456
Audit fees		17,501	7,500
Others		475,928	953,724
Reimbursement from the Manager		-	-
		17,506,085	18,158,826
Net income/(losses)		(5,386,182)	(9,055,884)
Net gains or losses on value of investments			
Net realised gains/(losses) on investments sold		648,284	274,955,716
Net change in fair value on investments		(876,118,072)	255,525,890
Net realised gains/(losses) on financial derivatives		-	156,413
Net change in fair value on financial derivatives		-	-
Net foreign exchange gains/(losses)		699,956	(574,667)
Net gains/(losses) on value of investments		(874,769,832)	530,063,352
Total return/(deficit) for the year before income tax		(880,156,014)	521,007,468
Less: Income tax	3	(29,545)	-
Total return/(deficit) for the year after income tax before distribution		(880,185,559)	521,007,468
Less: Distribution		-	-
Total return/(deficit) for the year		(880,185,559)	521,007,468

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

Prudential Unit Trusts

Statement of Total Return

Year ended 31 December 2008

Note	PRU Global Basics Fund		PRU Global Balanced Fund	
	Year ended 31/12/2008	Year ended 31/12/2007	Year ended 31/12/2008	Period from 28/08/2007 to 31/12/2007
	S\$	S\$	S\$	S\$
Income				
Interest	4,134	5,142	2,960	-
Dividend	-	-	-	-
Others	-	-	-	-
	<u>4,134</u>	<u>5,142</u>	<u>2,960</u>	<u>-</u>
Less: Expenses				
Management fees	-	-	85,954	14,471
Registration fees	30,293	29,973	18,199	82
Trustee fees	222,263	200,138	21,726	2,951
Custody fees	-	-	-	-
Audit fees	10,970	7,800	8,237	-
Others	198,607	261,607	30,142	6,578
Reimbursement from the Manager	-	-	-	-
	<u>462,133</u>	<u>499,518</u>	<u>164,258</u>	<u>24,082</u>
Net income/(losses)	(457,999)	(494,376)	(161,298)	(24,082)
Net gains or losses on value of investments				
Net realised gains/(losses) on investments sold	(7,010,397)	6,925,117	(3,631,881)	4,537
Net change in fair value on investments	(285,220,846)	54,769,771	(15,300,264)	(306,105)
Net realised gains/(losses) on financial derivatives	-	(1,127,315)	-	(100,979)
Net change in fair value on financial derivatives	-	-	-	-
Net foreign exchange gains/(losses)	(441,184)	(48,672)	(131,323)	(5,021)
Net gains/(losses) on value of investments	(292,672,427)	60,518,901	(19,063,468)	(407,568)
Total return/(deficit) for the year/period before income tax	(293,130,426)	60,024,525	(19,224,766)	(431,650)
Less: Income tax	-	-	-	-
Total return/(deficit) for the year/period after income tax before distribution	(293,130,426)	60,024,525	(19,224,766)	(431,650)
Less: Distribution	-	-	-	-
Total return/(deficit) for the year/period	(293,130,426)	60,024,525	(19,224,766)	(431,650)

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

Prudential Unit Trusts

Statement of Total Return

Year ended 31 December 2008

	PRU Asian Infrastructure Equity Fund	PRU Global Leaders Fund	PRU Global Positioning Strategy Fund
Note	Period from 06/03/2008 to 31/12/2008	Period from 04/06/2008 to 31/12/2008	Period from 18/08/2008 to 31/12/2008
	S\$	S\$	S\$
Income			
Interest	92	71	2
Dividend	-	-	-
Others	314	-	-
	<u>406</u>	<u>71</u>	<u>2</u>
Less: Expenses			
Management fees	9,725	-	2,897
Registration fees	3,361	3,962	-
Trustee fees	782	574	232
Audit fees	4,309	6,000	5,000
Preliminary expenses	37,522	45,260	43,033
Others	5,060	3,628	1,924
Reimbursement from the Manager	-	(59,424)	-
	<u>60,759</u>	<u>-</u>	<u>53,086</u>
Net income/(losses)	(60,353)	71	(53,084)
Net gains or losses on value of investments			
Net realised gains/(losses) on investments sold	(164,490)	(146,081)	(15,867)
Net change in fair value on investments	(770,009)	(1,392,272)	(148,675)
Net realised gains/(losses) on financial derivatives	-	-	-
Net change in fair value on financial derivatives	-	-	-
Net foreign exchange gains/(losses)	(37,738)	(25,944)	(12,211)
Net gains/(losses) on value of investments	<u>(972,237)</u>	<u>(1,564,297)</u>	<u>(176,753)</u>
Total return/(deficit) for the year/ period before income tax	(1,032,590)	(1,564,226)	(229,837)
Less: Income tax	-	-	-
Total return/(deficit) for the year/ period after income tax before distribution	(1,032,590)	(1,564,226)	(229,837)
Less: Distribution	-	-	-
Total return/(deficit) for the year/ period	<u>(1,032,590)</u>	<u>(1,564,226)</u>	<u>(229,837)</u>

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

Prudential Unit Trusts

Balance Sheet As at 31 December 2008

	Note	PRU Global Technology Fund		PRU Pan European Fund	
		2008	2007	2008	2007
		S\$	S\$	S\$	S\$
Assets					
Portfolio of investments		55,083,194	116,713,708	43,123,989	82,585,031
Receivables	4	67,031	792,782	79,639	621,774
Financial derivatives, at fair value	5	-	-	-	-
Cash and bank balances		107,321	(375,832)	61,944	(24,933)
Total assets		<u>55,257,546</u>	<u>117,130,658</u>	<u>43,265,572</u>	<u>83,181,872</u>

Liabilities					
Payables	6	144,477	771,850	137,642	543,497
Net assets attributable to unitholders	7	55,113,069	116,358,808	43,127,930	82,638,375
Total liabilities		<u>55,257,546</u>	<u>117,130,658</u>	<u>43,265,572</u>	<u>83,181,872</u>

	Note	PRU Protected Global Titans Fund (S\$)		PRU Asian Balanced Fund	
		2008	2007	2008	2007
		S\$	S\$	S\$	S\$
Assets					
Portfolio of investments		24,709,722	15,727,693	522,212,837	749,347,518
Receivables	4	195,791	168,957	385,443	10,094,170
Financial derivatives, at fair value	5	131,439	-	-	-
Cash and bank balances		1,140,427	236,767	24,272,772	3,537,690
Total assets		<u>26,177,379</u>	<u>16,133,417</u>	<u>546,871,052</u>	<u>762,979,378</u>

Liabilities					
Payables	6	306,492	124,330	5,982,814	6,523,427
Net assets attributable to unitholders	7	25,870,887	16,009,087	540,888,238	756,455,951
Total liabilities		<u>26,177,379</u>	<u>16,133,417</u>	<u>546,871,052</u>	<u>762,979,378</u>

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

Prudential Unit Trusts

Balance Sheet As at 31 December 2008

	Note	PRU Dragon Peacock Fund	
		2008 S\$	2007 S\$
Assets			
Portfolio of investments		601,821,901	1,415,810,212
Receivables	4	4,474,380	24,414,375
Financial derivatives, at fair value	5	-	-
Cash and bank balances		11,212,250	26,748,848
Total assets		617,508,531	1,466,973,435
Liabilities			
Payables	6	2,132,245	18,937,465
Net assets attributable to unitholders	7	615,376,286	1,448,035,970
Total liabilities		617,508,531	1,466,973,435

	Note	PRU Global Basics Fund		PRU Global Balanced Fund	
		2008 S\$	2007 S\$	2008 S\$	2007 S\$
Assets					
Portfolio of investments		308,610,831	556,833,539	37,336,340	31,683,244
Receivables	4	812,434	6,275,631	821,954	2,309,048
Financial derivatives, at fair value	5	-	-	-	-
Cash and bank balances		183,093	2,128,115	370,756	1,819,567
Total assets		309,606,358	565,237,285	38,529,050	35,811,859
Liabilities					
Payables	6	816,929	6,817,027	888,672	3,723,879
Net assets attributable to unitholders	7	308,789,429	558,420,258	37,640,378	32,087,980
Total liabilities		309,606,358	565,237,285	38,529,050	35,811,859

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

Prudential Unit Trusts

Balance Sheet
As at 31 December 2008

		PRU Asian Infrastructure Equity Fund	PRU Global Leaders Fund	PRU Global Positioning Strategy Fund
	Note	2008 S\$	2008 S\$	2008 S\$
Assets				
Portfolio of investments		5,063,705	2,536,215	2,358,302
Financial derivatives, at fair value	5	-	-	-
Receivables	4	44,061	45,460	44,950
Cash and bank balances		37,711	33,071	25,851
Total assets		<u>5,145,477</u>	<u>2,614,746</u>	<u>2,429,103</u>
Liabilities				
Payables	6	66,814	35,308	55,873
Net assets attributable to unitholders	7	5,078,663	2,579,438	2,373,230
Total liabilities		<u>5,145,477</u>	<u>2,614,746</u>	<u>2,429,103</u>

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

PRU Global Technology Fund

	Holdings 31/12/2008 (units)	Fair value 31/12/2008 (S\$)	Percentage of total net assets attributable to unitholders	
			31/12/2008	31/12/2007
			(%)	(%)
International Opportunities Funds: - Global Technology Class C	15,407,886	55,083,194	99.95	100.31
Portfolio of investments		55,083,194	99.95	100.31
Other net current assets		29,875	0.05	(0.31)
Net assets attributable to unitholders		55,113,069	100.00	100.00

Underlying Fund

PRU Pan European Fund

	Holdings 31/12/2008 (units)	Fair value 31/12/2008 (S\$)	Percentage of total net assets attributable to unitholders	
			31/12/2008	31/12/2007
			(%)	(%)
International Opportunities Funds: - Pan European Class C	5,060,907	43,123,989	99.99	99.94
Portfolio of investments		43,123,989	99.99	99.94
Other net current assets		3,941	0.01	0.06
Net assets attributable to unitholders		43,127,930	100.00	100.00

Underlying Fund

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

As at 31 December 2008

PRU Asian Balanced Fund

	Holdings 31/12/2008 (units)	Fair value 31/12/2008 (S\$)	Percentage of total net assets attributable to unitholders	
			31/12/2008	31/12/2007
			(%)	(%)
Underlying Fund				
International Opportunities Funds:				
- Asian Equity Class C	10,762,562	279,002,368	51.58	51.20
- US High Investment Grade Bond Class B	9,801,059	166,414,522	30.77	32.96
- US Investment Grade Bond Class B	4,431,925	76,795,947	14.20	14.90
Portfolio of investments		522,212,837	96.55	99.06
Other net current assets		18,675,401	3.45	0.94
Net assets attributable to unitholders		540,888,238	100.00	100.00

PRU Global Basics Fund

	Holdings 31/12/2008 (units)	Fair value 31/12/2008 (S\$)	Percentage of total net assets attributable to unitholders	
			31/12/2008	31/12/2007
			(%)	(%)
Underlying Fund				
M & G Investment Funds (1)				
- Global Basics Fund Net Accumulation Shares in Sterling Class A	24,210,053	308,610,831	99.94	99.72
Portfolio of investments		308,610,831	99.94	99.72
Other net current assets		178,598	0.06	0.28
Net assets attributable to unitholders		308,789,429	100.00	100.00

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

As at 31 December 2008

PRU Global Balanced Fund

	Holdings 31/12/2008 (units)	Fair value 31/12/2008 (\$)	Percentage of total net assets attributable to unitholders	
			31/12/2008	31/12/2007
			(%)	(%)
Underlying Fund				
M & G Investment Funds (1)				
- Global Basics Fund Net Accumulation Shares in Sterling Class A	1,771,202	22,577,902	59.98	58.68
Legal Mason Global Bond Trust	12,257,839	14,758,438	39.21	40.06
Portfolio of investments		37,336,340	99.19	98.74
Other net current assets		304,038	0.81	1.26
Net assets attributable to unitholders		37,640,378	100.00	100.00

PRU Asian Equity Infrastructure Fund

	Holdings 31/12/2008 (units)	Fair value 31/12/2008 (\$)	Percentage of total net assets attributable to unitholders	
			31/12/2008	31/12/2008
			(%)	(%)
Underlying Fund				
International Opportunities Funds:				
- Asian Infrastructure Equity Class C	517,924	5,063,705	99.71	
Portfolio of investments		5,063,705	99.71	
Other net current assets		14,958	0.29	
Net assets attributable to unitholders		5,078,663	100.00	

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

As at 31 December 2008

PRU Global Leaders Fund

	Holdings	Fair value	Percentage of
	31/12/2008	31/12/2008	total net assets
	(units)	(\$)	attributable to
			unitholders
			31/12/2008
			(%)
<u>Underlying Fund</u>			
M & G Investment Funds (1)			
- Global Leaders Fund Euro Class A shares	166,411	2,536,215	98.32
Portfolio of investments		2,536,215	98.32
Other net current assets		43,223	1.68
Net assets attributable to unitholders		2,579,438	100.00

PRU Global Positioning Strategy Fund

	Holdings	Fair value	Percentage of
	31/12/2008	31/12/2008	total net assets
	(units)	(\$)	attributable to
			unitholders
			31/12/2008
			(%)
<u>Underlying Fund</u>			
International Opportunities Funds:			
- Global Market Navigator Class C	192,617	2,358,302	99.37
Portfolio of investments		2,358,302	99.37
Other net current assets		14,928	0.63
Net assets attributable to unitholders		2,373,230	100.00

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

Prudential Unit Trusts

Portfolio Statement

As at 31 December 2008

PRU Protected Global Titans Fund (\$S)			
	Holdings 31/12/2008 (units)	Fair value 31/12/2008 (\$S)	Percentage of total net assets attributable to unitholders 31/12/2008 (%)
By Geography* - Primary			
Quoted bonds			
Australia			
Cable & Wireless Optus Finance Pty Limited Series 8.125% 15/06/2009	1,000,000	<u>1,488,570</u>	5.75
		<u>1,488,570</u>	<u>5.75</u>
Cayman Islands			
Sun Life Canada Funding LLC 4.15% 22/04/2009	500,000	<u>507,511</u>	1.96
		<u>507,511</u>	<u>1.96</u>
Malaysia			
Misc Capital Ltd Series 5% 01/07/2009	500,000	<u>738,673</u>	2.86
		<u>738,673</u>	<u>2.86</u>
New Zealand			
ANZ National (Int'l) Limited EMTN 3.22% 08/07/2010	250,000	251,029	0.97
BNZ International Funding Limited GMTN 3.24% 28/07/2010	500,000	<u>512,433</u>	1.98
		<u>763,462</u>	<u>2.95</u>
Singapore			
Allgreen Properties Limited MTN 3% 12/08/2009	1,000,000	989,271	3.82
Allgreen Properties Limited Series MTN 2.65% 20/03/2009	500,000	501,917	1.94
Ascott Capital Pte Limited MTN 2.725% 02/06/2009	1,000,000	1,002,910	3.88
Ascott Capital Pte Limited MTN 3.1% 05/03/2010	500,000	499,211	1.93
CCT MTN Pte Limited Series MTN 3.85% 20/08/2010	1,000,000	1,003,594	3.88
CMT MTN Pte Limited MTN 3.25% 01/04/2010	750,000	760,861	2.94
CMT MTN Pte Limited MTN 2.8% 08/05/2009	500,000	501,921	1.94
Development Bank of Singapore Series 7.875% 10/08/2009	750,000	1,130,759	4.37
F&N Treasury Pte Limited MTN 2.43% 21/05/2009	750,000	751,417	2.91
Hotel Properties Limited MTN 2.945% 07/08/2009	750,000	754,456	2.92
Jurong Town Corp MTN 4.875% 28/01/2009	500,000	511,384	1.98
Mapletree Treasury Services Limited MTN 2.25% 30/01/2009	500,000	504,772	1.95
Mapletreeog Treasury Company Pte Ltd Series MTN 3.81% 19/10/2009	1,000,000	1,016,560	3.93
Sun Hung Kai Properties Limited MTN 3.69% 06/11/2009	500,000	507,951	1.96
Swiber Holdings Limited Series MTN 3.14% 08/05/2009	750,000	<u>753,484</u>	2.91
		<u>11,190,468</u>	<u>43.26</u>

* Geography classification is based on the country of incorporation/registration of the entities/issuer.

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

Prudential Unit Trusts

Portfolio Statement

As at 31 December 2008

PRU Protected Global Titans Fund (\$\$)			
	Holdings	Fair value	Percentage of
	31/12/2008	31/12/2008	total net assets
	(units)	(\$\$)	attributable to
			unitholders
			31/12/2008
			(%)
By Geography* - Primary (continued)			
Quoted bonds			
South Korea			
Export-Import Bank of Korea EMTN 2.28% 06/05/2009	1,000,000	1,002,348	3.87
Export-Import Bank of Korea EMTN 2.55% 21/07/2009	500,000	505,379	1.95
Industrial Bank of Korea EMTN 2.665% 17/09/2009	750,000	726,363	2.81
Korea Development Bank EMTN 4.75% 20/07/2009	400,000	577,011	2.23
Shinhan Bank EMTN 3.78% 17/06/2010	750,000	743,732	2.88
Woori Bank EMTN 3.2% 18/06/2009	750,000	744,328	2.88
		<u>4,299,161</u>	<u>16.62</u>
United Arab Emirates			
Emirates Bank Int'l EMTN 3.875% 08/05/2009	500,000	499,491	1.93
		<u>499,491</u>	<u>1.93</u>
United States of America			
ASIF Global Financing XXVII 2.38% 26/02/2009	500,000	504,808	1.95
General Electric Capital Corporation EMTN 3.65% 06/04/2009	750,000	761,313	2.94
		<u>1,266,121</u>	<u>4.89</u>
Time deposits			
Singapore			
Credit Suisse First Boston, Singapore Branch		1,755,605	6.78
Oversea-Chinese Banking Corporation Limited		400,024	1.55
Standard Chartered Bank, Singapore Branch		1,800,636	6.96
		<u>3,956,265</u>	<u>15.29</u>
Portfolio of investments		24,709,722	95.51
Other net current assets		1,161,165	4.49
Net assets attributable to unitholders		<u>25,870,887</u>	<u>100.00</u>

* Geography classification is based on the country of incorporation/registration of the entities/issuer.

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

As at 31 December 2008

	PRU Protected Global Titans Fund (S\$)	
	Percentage of total net assets attributable to unitholders	
	31/12/2008	31/12/2007
	(%)	(%)
By Geography* (summary) – Primary		
Australia	5.75	9.54
Cayman Islands	1.96	-
Germany	-	4.68
Malaysia	2.86	-
New Zealand	2.95	-
Singapore	58.55	51.03
South Korea	16.62	22.05
Sweden	-	4.69
United Arab Emirates	1.93	-
United States of America	4.89	6.25
Portfolio of investments	95.51	98.24
Other net current assets	4.49	1.76
Net assets attributable to unitholders	100.00	100.00

* Geography classification is based on the country of incorporation/registration of the entities/issuer.

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

As at 31 December 2008

	PRU Protected Global Titans Fund (\$\$)		
	Fair value	Percentage of total net assets attributable to unitholders	
		31/12/2008 (\$\$)	31/12/2008 (%)
By Industry - Secondary			
Banks	10,649,138	41.16	68.56
Diversified financial services	4,027,373	15.57	4.68
Finance	1,268,824	4.90	6.25
Government	-	-	12.45
Industrials	511,384	1.98	-
Leisure	754,456	2.92	3.16
Petrol	753,484	2.91	-
Real estate	3,501,260	13.53	-
Real estate investment trusts	1,016,560	3.93	-
Shipping	-	-	3.14
Telecom service	1,488,570	5.75	-
Transport - Rail	738,673	2.86	-
Portfolio of investments	24,709,722	95.51	98.24
Other net current assets	1,161,165	4.49	1.76
Net assets attributable to unitholders	25,870,887	100.00	100.00

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

As at 31 December 2008

PRU Dragon Peacock Fund

	Holdings 31/12/2008 (units)	Fair value 31/12/2008 (\$)	Percentage of total net assets attributable to unitholders 31/12/2008 (%)
By Geography* - Primary			
Quoted shares			
Cayman Islands			
AAC Acoustic Technologies Holdings Inc.	17,884,000	11,004,450	1.79
		<u>11,004,450</u>	<u>1.79</u>
China			
Anhui Conch Cement Co Ltd	1,064,000	6,962,416	1.13
Bank of China Ltd	58,375,000	23,005,858	3.74
Beijing Capital International Airport Company Limited	10,270,000	7,369,422	1.20
BYD Company Ltd	11,655,400	27,517,348	4.47
BYD Electronics (International) Company Ltd	5,284,166	2,662,082	0.43
China Petroleum & Chemical Corporation	25,103,000	21,886,391	3.56
China Shenhua Energy Co Ltd	4,022,000	12,202,193	1.98
China Shipping Development Company Limited	6,740,000	9,459,813	1.54
Ctrip.com International Ltd	140,300	4,792,674	0.78
Focus Media Holding Ltd	528,500	6,921,457	1.12
Fosun International Limited	6,632,500	3,119,417	0.51
Industrial and Commercial Bank of China Co., Limited	42,843,000	32,494,938	5.28
Ping An Insurance (Group) Company of China, Ltd	1,500,500	10,460,271	1.70
Travelsky Technology Ltd	16,358,000	10,339,149	1.68
		<u>179,193,429</u>	<u>29.12</u>
Hong Kong			
China Mobile Ltd	2,532,500	36,627,285	5.95
China Resources Power Holdings Company Limited	2,594,000	7,088,641	1.15
China Unicom (Hong Kong) Ltd	19,113,990	33,009,789	5.36
CNOOC Ltd	10,447,000	14,041,244	2.28
Franshion Properties China Ltd	30,042,000	11,616,301	1.89
Gome Electrical Appliances Holdings Ltd [#]	43,908,000	6,856,439	1.12
Huabao International Holdings Ltd	22,305,000	21,064,038	3.42
		<u>130,303,737</u>	<u>21.17</u>

* Geography classification is based on the country of incorporation/registration of the entities/issuer.

[#] In respect of the holdings in Gome Electrical Appliances Holdings Ltd, the measurement at fair value on 31 December 2008 is calculated at a 25% reduction from the last traded price. On 24 November 2008, the shares of Gome Electrical Appliances Holdings Ltd were suspended from trading on the Hong Kong Stock Exchange. The Manager has used qualitative and quantitative considerations in calculating the estimated fair value of the shares.

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

As at 31 December 2008

PRU Dragon Peacock Fund			
	Holdings	Fair value	Percentage of
	31/12/2008	31/12/2008	total net assets
	(units)	(\$)	attributable to
			unitholders
			31/12/2008
			(%)
By Geography* - Primary (continued)			
Quoted shares			
India (Note 1)			
Bharat Heavy Electricals Ltd	327,166	13,135,703	2.13
Bharat Petroleum Corporation Ltd	533,555	5,948,423	0.97
Bharti Airtel Ltd	480,199	10,134,162	1.65
Cairn India Npv	1,985,640	10,076,255	1.64
Gail India Ltd	1,650,494	10,105,796	1.64
HDFC Bank Ltd	947,657	27,884,033	4.53
Hindustan Unilever Ltd	1,553,262	11,485,579	1.87
Housing Development Finance Corporation Ltd	383,798	16,865,641	2.74
ICICI Bank Ltd	1,316,277	17,380,013	2.82
Infosys Technologies Ltd	816,260	26,940,953	4.38
Infrastructure Development Finance Co Ltd	1,527,800	3,015,776	0.49
ITC Ltd	4,604,314	23,364,880	3.80
Larsen & Toubro Ltd	357,080	8,152,528	1.32
Maruti Suzuki India Ltd	639,109	9,792,910	1.59
NTPC Ltd	1,405,019	7,512,110	1.22
Oil & Natural Gas Corporation Ltd	763,713	15,079,707	2.45
Reliance Industries Ltd	955,562	34,829,300	5.66
Satyam Computer Services Ltd**	1,043,364	5,399,522	0.88
Tata Power Co Ltd	690,330	15,272,064	2.48
		272,375,355	44.26
Other net current assets of Dragon Peacock Investment Ltd		8,944,930	1.46
Net assets of Dragon Peacock Investments Ltd		281,320,285	45.72
Portfolio of investments		601,821,901	97.80
Other net current assets		13,554,385	2.20
Net assets attributable to unitholders		615,376,286	100.00

* Geography classification is based on the country of incorporation/registration of the entities/issuer.

** The Fund's holdings in Satyam Computer Services Ltd were sold on 7 January 2009 for S\$1,637,020.

Note 1: The India shares are held by Dragon Peacock Investments Ltd.

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

	PRU Dragon Peacock Fund	
	Percentage of total net assets attributable to unitholders	
	31/12/2008	31/12/2007
	(%)	(%)
By Geography* (summary) – Primary		
Cayman Islands	1.79	3.46
China	29.12	23.51
Hong Kong	21.17	19.14
India	45.72	51.66
Portfolio of investments	97.80	97.77
Other net current assets	2.20	2.23
Net assets attributable to unitholders	100.00	100.00

* Geography classification is based on the country of incorporation/registration of the entities/issuer.

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

As at 31 December 2008

	PRU Dragon Peacock Fund		
	Fair value	Percentage of total net assets	
		31/12/2008	31/12/2008
(S\$)	(%)	(%)	(%)
By Industry - Secondary			
Advertising	6,921,457	1.12	-
Agriculture	23,364,880	3.80	1.16
Auto & trucks	9,792,910	1.59	0.91
Banks	117,630,483	19.11	12.31
Cement	6,962,416	1.13	1.14
Chemical	34,829,300	5.66	8.62
Communication	-	-	1.12
Consumer	21,064,038	3.42	2.22
Diversified resource	6,856,439	1.12	6.87
E-Commerce	4,792,674	0.78	-
Electronics	49,162,940	7.98	7.74
Engineering & construction	8,152,528	1.32	7.57
Enterprise	-	-	0.93
Finance	3,015,776	0.49	1.69
Gas	10,105,796	1.64	-
Infrastructure	-	-	1.30
Insurance	10,460,271	1.70	1.93
Internet software	42,679,624	6.94	5.33
Iron/Steel	-	-	0.23
Manufacturing	42,122,344	6.85	3.91
Metal products	-	-	1.48
Mining	12,202,193	1.98	2.78
Petrol	67,032,020	10.90	8.97
Power	7,512,110	1.22	1.01
Real estate	11,616,301	1.89	1.05
Services	-	-	1.22
Telecom service	79,771,236	12.96	11.89
Transport	16,829,235	2.74	3.07
	592,876,971	96.34	96.45
Net assets of Dragon Peacock Investments Ltd	8,944,930	1.46	1.32
Portfolio of investments	601,821,901	97.80	97.77
Other net current assets	13,554,385	2.20	2.23
Net assets attributable to unitholders	615,376,286	100.00	100.00

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

1. Principal activities

Prudential Unit Trusts (“the Trust”) is an umbrella unit trust constituted pursuant to the Trust Deed dated 5 April 2001 as amended by the subsequent Supplemental Deeds and the Amending and Restating Deeds between Prudential Asset Management (Singapore) Limited (“the Manager”) and HSBC Institutional Trust Services (Singapore) Limited (“the Trustee”). The Trust Deed, Supplemental Deeds and Amending and Restating Deeds (collectively, the “Trust Deed”) are governed by the laws of the Republic of Singapore. As at 31 December 2008, the Trust had the following sub-funds:

<u>Sub-fund</u>	<u>Launch date</u>	<u>Underlying investments</u>
PRU Global Technology Fund	16 April 2001	International Opportunities Funds - Global Technology
PRU Pan European Fund	16 April 2001	International Opportunities Funds - Pan European
PRU Protected Global Titans Fund (S\$)	19 September 2001	A combination of money market instruments & options
PRU Asian Balanced Fund	13 January 2003	International Opportunities Funds - Asian Equity - US Investment Grade Bond - US High Investment Grade Bond
PRU Dragon Peacock Fund	18 May 2004	Investments in China and India instruments & options
PRU Global Basics Fund	12 September 2005	M & G Investment Funds (1) - Global Basics Fund Net Accumulation Shares in Sterling Class A
PRU Global Balanced Fund	28 August 2007	M & G Investment Funds (1) - Global Balanced Fund Net Accumulation Shares in Sterling Class A Legg Mason Global Bond Trust
PRU Asian Infrastructure Equity Fund	6 March 2008	International Opportunities Funds - Asian Infrastructure Equity Class C
PRU Global Leaders Fund	4 June 2008	M & G Investment Funds (1) - Global Leaders Fund Euro Class A
PRU Global Positioning Strategy Fund	18 August 2008	International Opportunities Funds - Global Market Navigator Class C

1. Principal activities (continued)

The sub-funds, Global Technology Fund (“PRU Global Technology Fund”), Pan European Fund (“PRU Pan European Fund”), Asian Balanced Fund (“PRU Asian Balanced Fund”), Asian Infrastructure Equity Fund (“PRU Asian Infrastructure Equity Fund”) and Global Positioning Strategy Fund (“PRU Global Positioning Strategy Fund”) invest all or substantially all of their assets in the units of the corresponding sub-funds of the Luxembourg-domiciled International Opportunities Funds.

The sub-fund, Global Basics Fund (“PRU Global Basics Fund”) invests all or substantially all of its assets in the units of the corresponding sub-fund of M & G Investment Funds (1) – Global Basics Fund Net Accumulation Shares in Sterling Class A.

The sub-fund, Global Balanced Fund (“PRU Global Balanced Fund”) invests all or substantially all of its assets in the units of the corresponding sub-funds of M & G Investment Funds (1) – Global Basics Fund Net Accumulation Shares in Sterling Class A and Legg Mason Global Bond Trust.

The sub-fund, Global Leaders Fund (“PRU Global Leaders Fund”) invests all or substantially all of its assets in the units of the corresponding sub-fund of M&G Investment Funds (1) – Global Leaders Fund Euro Class A shares.

The sub-fund, Protected Global Titans Fund (S\$) (“PRU Protected Global Titans Fund (S\$)”) aims to achieve long term capital growth by gaining exposure to top global multinational companies through the Dow Jones Global Titans 50 IndexSM while, at the same time, protecting the net asset value of the sub-fund within each floor period.

The sub-fund, Dragon Peacock Fund (“PRU Dragon Peacock Fund”) aims to maximise long-term total return by investing primarily in equity and equity-related instruments in the People’s Republic of China and the Republic of India. Investments in India are mainly held through an investment company, Dragon Peacock Investments Ltd (“DPI (M)”), incorporated in Mauritius.

The shareholders’ funds of DPI (M) are attributable solely to PRU Dragon Peacock Fund.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements (expressed in Singapore dollars), 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.

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 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

The sub-funds do not intend to pay dividends or other distributions. Any income (whether in the form of dividend, interest or otherwise) received by the sub-funds will be accumulated and reinvested. However, to the extent that a distribution may be paid, such distribution may be paid only from income received and realised and unrealised capital gains less realised and unrealised capital losses.

2.4 Investments

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

Investments in options on stock market indices are initially recognised at cost and are subsequently revalued at their fair values. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

All options are carried in assets when amounts are receivable and in liabilities when amounts are payable. Changes in fair values of derivatives are included in the Statement of Total Return.

The PRU Dragon Peacock Fund holds its investments in Indian domestic equities through an investment company, DPI (M). The assets, liabilities and results of DPI (M) are included in PRU Dragon Peacock Fund's financial statements.

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.

2.6 Units

All units issued by the Trust provide the investors with the right to require redemption for cash at the value proportionate to the investor's share in the applicable sub-fund's 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.

3. Taxation

The Trust is a designated unit trust under the Singapore Income Tax Act (Chapter 134). As a result, the following income will not be taxed at the Trust 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
- dividends derived from outside Singapore and received in Singapore.

	PRU Dragon Peacock Fund	
	2008	2007
	S\$	S\$
Overseas tax suffered	29,545	-

4. Receivables

	PRU Global Technology Fund		PRU Pan European Fund	
	2008	2007	2008	2007
	S\$	S\$	S\$	S\$
Amount receivable from the creation of units	22,841	154,620	30,460	415,133
Interest receivables	-	-	-	-
Sales awaiting settlement	31,000	604,000	39,000	151,000
Miscellaneous receivables	13,190	34,162	10,179	55,641
	67,031	792,782	79,639	621,774

	PRU Protected Global Titans Fund (S\$)		PRU Asian Balanced Fund	
	2008	2007	2008	2007
	S\$	S\$	S\$	S\$
Amount receivable from the creation of units	195,015	168,086	384,843	9,587,545
Interest receivables	176	871	-	-
Sales awaiting settlement	-	-	-	503,808
Miscellaneous receivables	600	-	600	2,817
	195,791	168,957	385,443	10,094,170

	PRU Dragon Peacock Fund		PRU Global Basics Fund	
	2008	2007	2008	2007
	S\$	S\$	S\$	S\$
Amount receivable from the creation of units	4,473,780	24,414,375	583,323	4,840,081
Sales awaiting settlement	-	-	225,090	1,435,550
Miscellaneous receivables	600	-	4,021	-
	4,474,380	24,414,375	812,434	6,275,631

4. Receivables (continued)

	PRU Global Balanced Fund		PRU Asian Infrastructure Equity Fund	PRU Global Leaders fund	PRU Global Positioning Strategy Fund
	2008	2007	2008	2008	2008
	S\$	S\$	S\$	S\$	S\$
Amount receivable from the creation of units	627,117	2,239,094	41,022	3,128	7,879
Sales awaiting settlement	154,921	-	2,993	7,894	37,071
Miscellaneous receivables	39,916	69,954	46	34,438	-
	<u>821,954</u>	<u>2,309,048</u>	<u>44,061</u>	<u>45,460</u>	<u>44,950</u>

5. Fair value of financial derivatives

	PRU Protected Global Titans Fund (S\$)			
	Contract or underlying principal amount		Positive fair value	
	2008	2007	2008	2007
	S\$	S\$	S\$	S\$
Forward foreign exchange contracts	<u>3,964,415</u>	<u>-</u>	<u>131,439</u>	<u>-</u>

Financial derivative contracts for PRU Protected Global Titans Fund (S\$) comprise forward foreign exchange contracts, executed for the sale and purchase of foreign currencies. The year-end positive fair value represents the unrealised gains on revaluation of financial derivative contracts at the balance sheet date.

6. Payables

	PRU Global Technology Fund		PRU Pan European Fund	
	2008	2007	2008	2007
	S\$	S\$	S\$	S\$
Payable to unitholders for cancellation of units	16,890	429,817	51,701	284,780
Accrued expenses	55,587	257,033	41,941	191,717
Purchases awaiting settlement	72,000	85,000	44,000	67,000
	<u>144,477</u>	<u>771,850</u>	<u>137,642</u>	<u>543,497</u>
	PRU Protected Global Titans Fund (S\$)		PRU Asian Balanced Fund	
	2008	2007	2008	2007
	S\$	S\$	S\$	S\$
Payable to unitholders for cancellation of units	273,908	95,676	1,364,344	5,470,959
Accrued expenses	32,584	28,654	283,770	1,052,468
Purchases awaiting settlement	-	-	4,322,250	-
Other payables	-	-	12,450	-
	<u>306,492</u>	<u>124,330</u>	<u>5,982,814</u>	<u>6,523,427</u>
	PRU Dragon Peacock Fund		PRU Global Basics Fund	
	2008	2007	2008	2007
	S\$	S\$	S\$	S\$
Payable to unitholders for cancellation of units	1,083,471	13,025,152	689,372	3,872,999
Accrued expenses	1,048,774	5,912,313	86,595	158,310
Purchases awaiting settlement	-	-	40,325	2,765,081
Other payables	-	-	637	20,637
	<u>2,132,245</u>	<u>18,937,465</u>	<u>816,929</u>	<u>6,817,027</u>

6. Payables (continued)

	PRU Global Balanced Fund		PRU Asian Infrastructure Equity Fund	PRU Global Leaders Fund	PRU Global Positioning Strategy Fund
	2008	2007	2008	2008	2008
	S\$	S\$	S\$	S\$	S\$
Payable to unitholders for cancellation of units	852,463	1,031,523	1,022	2,618	36,556
Accrued expenses	36,209	66,136	24,727	14,690	6,204
Purchases awaiting settlement	-	2,621,182	40,996	17,764	12,960
Other payables	-	5,038	69	236	153
	<u>888,672</u>	<u>3,723,879</u>	<u>66,814</u>	<u>35,308</u>	<u>55,873</u>

7. Net assets attributable to unitholders

	PRU Global Technology Fund		PRU Pan European Fund	
	Year ended 31/12/2008	Year ended 31/12/2007	Year ended 31/12/2008	Year ended 31/12/2007
	S\$	S\$	S\$	S\$
At the beginning of financial year	<u>116,358,808</u>	<u>156,608,698</u>	<u>82,638,375</u>	<u>45,251,262</u>
Operations				
Change in net assets attributable to unitholders resulting from operations	(51,148,842)	5,161,057	(38,548,688)	(499,910)
Unitholders' contributions/ (withdrawals)				
Creation of units	7,822,008	2,279,231	15,319,887	77,442,803
Cancellation of units	(17,918,905)	(47,690,178)	(16,281,644)	(39,555,780)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	<u>(10,096,897)</u>	<u>(45,410,947)</u>	<u>(961,757)</u>	<u>37,887,023</u>
Total increase/(decrease) in net assets attributable to unitholders	<u>(61,245,739)</u>	<u>(40,249,890)</u>	<u>(39,510,445)</u>	<u>37,387,113</u>
At the end of financial year	<u>55,113,069</u>	<u>116,358,808</u>	<u>43,127,930</u>	<u>82,638,375</u>
Units in issue (number)	<u>174,004,328</u>	<u>195,587,472</u>	<u>57,721,204</u>	<u>59,687,846</u>
Net assets attributable to unitholders per unit (S\$)	<u>0.32</u>	<u>0.59</u>	<u>0.75</u>	<u>1.38</u>

7. Net assets attributable to unitholders (continued)

	PRU Protected Global Titans Fund (S\$)		PRU Asian Balanced Fund	
	Year ended 31/12/2008	Year ended 31/12/2007	Year ended 31/12/2008	Year ended 31/12/2007
	S\$	S\$	S\$	S\$
At the beginning of financial year	16,009,087	18,060,075	756,455,951	553,592,190
Operations				
Change in net assets attributable to unitholders resulting from operations	372,600	522,133	(272,054,309)	71,872,069
Unitholders' contributions/ (withdrawals)				
Creation of units	40,330,457	3,794,101	278,410,235	259,423,894
Cancellation of units	(30,841,257)	(6,367,222)	(221,923,639)	(128,432,202)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	9,489,200	(2,573,121)	56,486,596	130,991,692
Total increase/(decrease) in net assets attributable to unitholders	9,861,800	(2,050,988)	(215,567,713)	202,863,761
At the end of financial year	25,870,887	16,009,087	540,888,238	756,455,951
Units in issue (number)	22,572,920	14,245,503	461,786,639	431,018,100
Net assets attributable to unitholders per unit (S\$)	1.15	1.12	1.17	1.76

7. Net assets attributable to unitholders (continued)

	PRU Dragon Peacock Fund	
	Year ended 31/12/2008	Year ended 31/12/2007
	S\$	S\$
At the beginning of financial year	1,448,035,970	986,577,450
Operations		
Change in net assets attributable to unitholders resulting from operations	(880,185,559)	521,007,468
Unitholders' contributions/(withdrawals)		
Creation of units	506,790,126	713,176,644
Cancellation of units	(459,264,251)	(772,725,592)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	47,525,875	(59,548,948)
Total increase/(decrease) in net assets attributable to unitholders	(832,659,684)	461,458,520
At the end of financial year	615,376,286	1,448,035,970
Units in issue (number)	448,656,118	446,739,678
Net assets attributable to unitholders per unit (S\$)	1.37	3.24

7. Net assets attributable to unitholders (continued)

	PRU Global Basics Fund		PRU Global Balanced Fund	
	Year ended 31/12/2008 S\$	Year ended 31/12/2007 S\$	Year ended 31/12/2008 S\$	Period from 28/08/2007 to 31/12/2007 S\$
At the beginning of financial year/period	558,420,258	419,782,410	32,087,980	-
Operations				
Change in net assets attributable to unitholders resulting from operations	(293,130,426)	60,024,525	(19,224,766)	(431,650)
Unitholders' contributions/ (withdrawals)				
Creation of units	218,648,256	220,680,449	217,087,964	45,024,583
Cancellation of units	(175,148,659)	(142,067,126)	(192,310,800)	(12,504,953)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	43,499,597	78,613,323	24,777,164	32,519,630
Total increase/(decrease) in net assets attributable to unitholders	(249,630,829)	138,637,848	5,552,398	32,087,980
At the end of financial year/period	308,789,429	558,420,258	37,640,378	32,087,980
Units in issue (number)	412,560,968	394,855,822	54,705,740	32,801,474
Net assets attributable to unitholders per unit (S\$)	0.75	1.41	0.69	0.98

7. Net assets attributable to unitholders (continued)

	PRU Asian Infrastructure Equity Fund	PRU Global Leaders Fund	PRU Global Positioning Strategy Fund
	Period from 06/03/2008 to 31/12/2008 S\$	Period from 04/06/2008 to 31/12/2008 S\$	Period from 18/08/2008 to 31/12/2008 S\$
At the beginning of financial period	-	-	-
Operations			
Change in net assets attributable to unitholders resulting from operations	(1,032,590)	(1,564,226)	(229,837)
Unitholders' contributions/ (withdrawals)			
Creation of units	6,857,460	4,866,096	2,830,246
Cancellation of units	(746,207)	(722,432)	(227,179)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	6,111,253	4,143,664	2,603,067
Total increase/(decrease) in net assets attributable to unitholders	5,078,663	2,579,438	2,373,230
At the end of financial period	5,078,663	2,579,438	2,373,230
Units in issue (number)	7,408,981	4,173,204	2,665,572
Net assets attributable to unitholders per unit (S\$)	0.69	0.62	0.89

8. Units in issue

	PRU Global Technology Fund		PRU Pan European Fund	
	2008	2007	2008	2007
Units at beginning of the year	195,587,472	271,002,202	59,687,846	33,990,344
Units created	16,262,791	3,792,775	12,879,463	53,184,918
Units cancelled	(37,845,935)	(79,207,505)	(14,846,105)	(27,487,416)
Units at end of the year	<u>174,004,328</u>	<u>195,587,472</u>	<u>57,721,204</u>	<u>59,687,846</u>

	PRU Protected Global Titans Fund (S\$)		PRU Asian Balanced Fund	
	2008	2007	2008	2007
Units at beginning of the year	14,245,503	16,600,123	431,018,100	353,645,481
Units created	35,538,640	3,424,526	178,998,881	151,551,445
Units cancelled	(27,211,223)	(5,779,146)	(148,230,342)	(74,178,826)
Units at end of the year	<u>22,572,920</u>	<u>14,245,503</u>	<u>461,786,639</u>	<u>431,018,100</u>

	PRU Dragon Peacock Fund	
	2008	2007
Units at beginning of the year	446,739,678	491,499,377
Units created	213,693,321	259,077,399
Units cancelled	(211,776,881)	(303,837,098)
Units at end of the year	<u>448,656,118</u>	<u>446,739,678</u>

	PRU Global Basics Fund		PRU Global Balanced Fund	
	2008	2007	2008	2007
Units at beginning of the year/ period	394,855,822	340,541,405	32,801,474	-
Units created	160,978,177	158,782,533	227,835,060	45,466,219
Units cancelled	(143,273,031)	(104,468,116)	(205,930,794)	(12,664,745)
Units at end of the year/period	<u>412,560,968</u>	<u>394,855,822</u>	<u>54,705,740</u>	<u>32,801,474</u>

8. Units in issue (continued)

	<u>PRU Asian Infrastructure Equity Fund</u>	<u>PRU Global Leaders Fund</u>	<u>PRU Global Positioning Strategy Fund</u>
	2008	2008	2008
Units at beginning of the period	-	-	-
Units created	8,463,381	5,055,120	2,913,165
Units cancelled	<u>(1,054,400)</u>	<u>(881,916)</u>	<u>(247,593)</u>
Units at end of the period	<u>7,408,981</u>	<u>4,173,204</u>	<u>2,665,572</u>

9. US dollar class and Euro classPRU Global Basics Fund

The sub-fund offers three classes of units, namely the PRU Global Basics Fund S\$ units, the PRU Global Basics Fund US\$ units and the PRU Global Basics Fund EUR units. The US\$ units and EUR units are for facilitation of the subscription and/or redemption in US\$ and Euro respectively. Consequently, these financial statements of PRU Global Basics Fund cover the financial information of the S\$ units only.

The US\$ units and EUR units are subject to further foreign exchange risk arising from movements of S\$.

Supplementary information relating to the US\$ units and EUR units are set out below.

Net asset value of US\$ units

	2008	2007
Number of units issued to US\$ unitholders	4,470,358	2,745,167
Net asset value per S\$ unit	<u>0.74</u>	<u>1.41</u>
	S\$	US\$ equivalent
	2008	2008
		2007
Value of S\$ units issued to US\$ unitholders	<u>3,308,065</u>	2,296,071
Number of US\$ units in issue	4,470,358	<u>2,745,167</u>
Value per US\$ unit at 31 December	0.51	<u>0.98</u>

9. US dollar class and Euro class (continued)Net asset value of EUR units

	2008
Number of units issued to EUR unitholders	<u>941,399</u>
Net asset value per S\$ unit	<u>0.74</u>

	S\$	EUR
	2008	equivalent
		2008
Value of S\$ units issued to EUR unitholders	<u>696,635</u>	347,845
Number of EUR units in issue		<u>941,399</u>
Value per EUR unit at 31 December		<u>0.37</u>

PRU Asian Infrastructure Equity Fund

The sub-fund offers three classes of units, namely the PRU Asian Equity Fund S\$ units, the PRU Asian Infrastructure Equity Fund US\$ units and the PRU Asian Infrastructure Equity Fund EUR units. The US\$ units and EUR units are for facilitation of the subscription and/or redemption in US\$ and Euro respectively. Consequently, these financial statements of PRU Asian Infrastructure Equity Fund cover the financial information of the S\$ units only.

The US\$ units and EUR units are subject to further foreign exchange risk arising from movements of S\$.

Supplementary information relating to the US\$ units and EUR units are set out below.

9. US dollar class and Euro class (continued)Net asset value of US\$ units

	2008
Number of units issued to US\$ unitholders	717,003
Net asset value per S\$ unit	0.68

	S\$	US\$ equivalent
	2008	2008
Value of S\$ units issued to US\$ unitholders	487,562	338,408
Number of US\$ units in issue		717,003
Value per US\$ unit at 31 December		0.47

Net asset value of EUR units

	2008
Number of units issued to EUR unitholders	21,335
Net asset value per S\$ unit	0.68

	S\$	EUR equivalent
	2008	2008
Value of S\$ units issued to EUR unitholders	14,508	7,244
Number of EUR units in issue		21,335
Value per EUR unit at 31 December		0.34

10. Related party transactions

In the normal course of the business of the Trust, 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, management fee rebates ranging from 0.25% to 1.50% (2007: 0.25%) are received from the Managers of the underlying funds for certain sub-funds.

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 Trust is exposed to a variety of risks as stated in the Trust's prospectus. The Manager continually monitors the exposure of the Trust to risks and appropriate procedures are in place to manage such risks. The risks relevant to the Trust 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 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 financial instruments 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-funds' 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.

11. Financial instruments (continued)

Foreign currency risk

The Trust's accounting books and records are kept in Singapore dollars. The sub-funds 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 the Trust.

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

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

	2008 %	2007 %
PRU Global Technology Fund		
Expense ratio (Note 1)	1.92	1.95
Turnover ratio (Note 2)	<u>7.05</u>	<u>0.79</u>
PRU Pan European Fund		
Expense ratio (Note 1)	1.79	1.77
Turnover ratio (Note 2)	<u>14.54</u>	<u>18.03</u>
PRU Protected Global Titans Fund (S\$)		
Expense ratio (Note 1)	0.78	0.78
Turnover ratio (Note 2)	<u>76.16</u>	<u>98.35</u>
PRU Asian Balanced Fund		
Expense ratio (Note 1)	1.45	1.45
Turnover ratio (Note 2)	<u>41.80</u>	<u>14.98</u>
PRU Dragon Peacock Fund		
Expense ratio (Note 1)	1.80	1.68
Turnover ratio (Note 2)	<u>38.05</u>	<u>72.84</u>
PRU Global Basics Fund		
Expense ratio (Note 1)	1.74	1.75
Turnover ratio (Note 2)	<u>13.97</u>	<u>9.26</u>
PRU Global Balanced Fund		
Expense ratio (Note 1)	1.68	1.71
Turnover ratio (Note 2)	<u>85.81</u>	<u>2.75</u>
PRU Asian Infrastructure Equity Fund		
Expense ratio (Note 1)	4.06	
Turnover ratio (Note 2)	<u>32.39</u>	
PRU Global Leaders Fund		
Expense ratio (Note 1)	1.93	
Turnover ratio (Note 2)	<u>23.21</u>	
PRU Global Positioning Strategy Fund		
Expense ratio (Note 1)	10.76	
Turnover ratio (Note 2)	<u>11.73</u>	

12. Financial ratios (continued)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, trustee 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.

Note 2

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

13. Comparative figures

For the sub-funds PRU Asian Infrastructure Equity Fund, PRU Global Leaders Fund and PRU Global Positioning Strategy Fund, no comparative figures have been presented as this is the first set of financial statements of the sub-funds since the constitution of the sub-funds.

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. 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 the Manager 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. The value of units in the Fund and the income accruing to the units, if any, may fall or rise. 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.

The Manager is an indirect subsidiary of Prudential plc of the United Kingdom. The Manager 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.

“Dow Jones,” “Dow Jones Global Titans 50 IndexSM” are service marks of Dow Jones & Company, Inc. and have been licensed for use for certain purposes by Prudential Asset Management (Singapore) Limited. Prudential Asset Management (Singapore) Limited's PRU Protected Global Titans Fund (S\$) based on the Dow Jones Global Titans 50 IndexSM, is not sponsored, endorsed, sold or promoted by Dow Jones, and Dow Jones makes no representation regarding the advisability of investing in such product(s).

Investors of the PRU Dragon Peacock Fund should note that the Luxembourg-domiciled International Opportunities Funds has established a similar sub-fund within the umbrella fund of International Opportunities Funds having the same investment objective and focus as the PRU Dragon Peacock Fund (the “IOF sub-fund”). In the event that the IOF sub-fund is approved by the Authority as a recognised scheme available for direct investment by the retail public in Singapore, the Manager may, in consultation with the Trustee, and subject to the approval of the relevant authorities, (i) seek to terminate the PRU Dragon Peacock Fund and exchange existing Units in the PRU Dragon Peacock Fund for shares in the IOF sub-fund; or (ii) change the investment policy of the PRU Dragon Peacock Fund from a direct investment portfolio to a feeder fund investing all or substantially all of its assets into the IOF sub-fund. Investors should note that in the event of an exchange of Units for shares in the IOF sub-fund, there is no assurance that the fees and charges of the IOF sub-fund would not be higher than that of the PRU Dragon Peacock Fund. Investors should not invest in the PRU Dragon Peacock Fund in anticipation of investing in the IOF sub-fund as there is no certainty whether the IOF sub-fund may be recognised for offer to the retail public in Singapore.

Investors should note that “Infrastructure” or “Infrastructure related” may be capable of wide-ranging interpretation. The Manager has the sole discretion to decide what constitute “infrastructure” or “infrastructure related” investments for the purposes of any such investments under the PRU Asian Infrastructure Equity Fund.

[^] This marks the last page of the Prudential Unit Trusts Annual Reports.

