

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 2010

AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2010

PRUDENTIAL UNIT TRUSTS

Manager

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

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Directors of the Manager

Graham David Mason (*Appointed on 4 May 2010*)
Guy Robert Strapp
Julian Christopher Vivian Pull

Solicitors to the Manager

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Trustee

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Solicitors to the Trustee

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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 December 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 give 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 Commentary

Fund performance

For the year ended 31 December 2010, the PRU Global Technology Fund rose 3.0% (bid-to-bid basis), outpacing its benchmark's 1.1% gain.

Market background

During the year, a lack of economic momentum in the early part of the year facilitated significant outperformance of secular growth stocks, particularly those with rising earnings forecasts. The second half of the year was characterised by a sharp recovery in cyclical sectors as concerns around the European debt markets abated and a further phase of US quantitative easing was confirmed.

PRU GLOBAL TECHNOLOGY FUND

Factors affecting performance¹

Key contributors included e-commerce related stocks which benefited from re-rating and strong profit growth during the year. IT Services also performed strongly for the portfolio, benefiting from a broad based recovery in IT project spending together with a continuation in the outsourcing trend globally. Netflix Inc., the online movie rental business, rose significantly as it continually outperformed expectations through the year and was rerated. Priceline.com Incorporated, the online travel company, also delivered strong growth as it continued to benefit from secular trends in the travel market and strengthening market positions. Vistaprint was a key detractor from the Fund's performance as the company showed a decelerating revenue growth rate and mixed results from their TV advertising campaign. The stock fell sharply on that news.

Ongoing strong product cycles in the sector also contributed significantly during the year as ongoing dominance of Apple in multiple consumer electronics categories continued to drive profit forecasts and the stock price higher. The strong growth of the smart phone market was also evident in the performance of the Fund's holdings in Skyworks Solutions, Inc., a component provider to mobile devices and HTC, the Taiwanese handset manufacturer. IT Services also performed strongly for the portfolio, benefiting from a broad based recovery in IT project spending together with a continuation in the outsourcing trend globally.

Key changes to the portfolio¹

During the year there were no material changes to the structure of the portfolio which remains overweight in areas such as e-commerce and connectivity. New positions for the Fund included Totvs SA, a software provider to the high growth Latin American market and Naspers Limited, a South African media conglomerate with a number of investments in the internet sector. The Fund exited its position in Autonomy and reduced exposure to Cisco after both companies disappointed on growth expectations.

Outlook

The fund manager continues to believe that the technology sector is well placed to outperform relative to the rest of the economy as corporate spending continues to recover, prompting investment in technology. There are also a number of product cycles ongoing in both the corporate and consumer segments that should support growth.

¹ Please note that the securities mentioned herein are included for illustrative 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 2010)

Fund / Benchmark	3 months	6 months	1 year	3 years	5 years	Since inception*
	%	%	%	%	%	%
PRU Global Technology Fund	5.6	13.8	3.0	-4.8	-2.8	-6.2
MSCI AC World Information Technology Index *	7.9	12.7	1.1	-5.8	-1.7	-4.4

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, if any.

* Please note that the benchmark for the 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 as it is a more comparable performance benchmark for the Fund due to the change in investment focus and approach of the Fund's GT Underlying Fund as a result of the change in the investment sub-manager of the GT Underlying Fund. From inception to 30 November 2008, the Fund was benchmarked against FTSE World information Technology Index and from 1 December 2008, the Fund was benchmarked against the MSCI All Countries World Information Technology Index. The two series are chain-linked to derive the longer period benchmark returns.

There has been no dividend distribution since the inception of the Fund.

+ 4 May 2001

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

PRU GLOBAL TECHNOLOGY FUND

Schedule of Investments

(As at 31 December 2010)

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets***
	<u>Luxembourg</u> International Opportunities Funds: - Global Technology Class C		
14,231,954		83,385,016	99.95
Total Investments		83,385,016	99.95
Other Net Assets		38,829	0.05
Total Net Assets Attributable to Unitholders		83,423,845	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 2010)

Exposure to Derivatives

Nil

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

The PRU Global Technology Fund invests SGD 83,385,016, 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 83,385,016, 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 2010

	SGD
Subscriptions	10,780,141
Redemptions	14,254,954

Annualised Expense Ratio**

1.71% (2009: 1.82%)

*** 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

9.34% (2009: 5.62%)

Soft Dollar Commission

Nil for the Fund.

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 2010)

	Market Value USD	% of Net Assets***
Apple Computer Inc	6,564,174	9.67
Microsoft Corporation	5,102,103	7.52
Google Inc	4,330,579	6.38
International Business Machines Corporation	4,324,856	6.37
Oracle Corporation	3,883,727	5.72
Hewlett-Packard Development Company	2,322,788	3.42
Qualcomm Inc	2,241,536	3.30
Samsung Electronics Co Ltd	1,532,749	2.26
HTC Corp	1,365,904	2.01
Priceline.Com Inc	1,261,205	1.86

Top 10 Holdings

(As at 31 December 2009)

	Market Value USD	% of Net Assets***
Apple Computer Inc	4,833,895	7.65
Microsoft Corporation	4,314,511	6.83
Cisco Systems Inc	4,226,827	6.69
Google Inc	3,991,374	6.32
International Business Machines Corporation	3,411,712	5.40
Hewlett-Packard Development Company	2,674,156	4.23
Intel Corporation	2,414,070	3.82
Oracle Corporation	2,355,440	3.73
Qualcomm Inc	1,601,209	2.53
Netapp Inc	1,342,803	2.13

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

Annualised Expense Ratio**

1.10% (2009: 1.13%)

** 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

68.54% (2009: 90.35%)

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 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 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 Fund into the PE Underlying Fund which shares the same investment objective.

Manager's Commentary

Fund performance

The PRU Pan European Fund fell 6.2% (bid-to-bid basis) over the review period while its benchmark declined by 4.7%.

Market background

The first half of 2010 was volatile, as investors' concerns over the euro-area sovereign risks led to periods of sharp falls in European equity prices, followed by strong rallies. Government debt troubles in Greece escalated during the second quarter, culminating in a €750 billion rescue package in May. However, the improved sentiment towards the peripheral eurozone was short-lived and yields on sovereign debt from Ireland, Spain, Portugal and Italy continued to rise. The summer months were characterised by risk aversion as fears mounted that the worldwide economic recovery was losing steam. However, European equities performed well in the second half of the year thanks to more robust economic figures from the US and the announcement that the Federal Reserve would restart quantitative easing.

Factors affecting performance¹

Sector allocation was the driver of performance during the year, with the Fund's overweight in cyclical sectors contributing positively. With economically sensitive stocks rallying over the 12 months, holdings in UK-based miner Hochschild Mining Plc, Austrian engineering firm Andritz AG and Swiss software provider Temenos Group AG added value. Andritz and Temenos posted strong results which also boosted their share prices.

The Fund's underweight in the banking sector was advantageous as banks came under pressure from their potential exposure to peripheral eurozone debt. Similarly, the portfolio's lower-than-index exposure to defensive stocks such as pharmaceuticals, telecoms and utilities positively influenced performance as these sectors were left behind in the risk rally.

PRU PAN EUROPEAN FUND

On the downside, poor stock selection within the travel & leisure sector cost some performance. The Fund's online gaming company holdings, including Austrian bwin Interactive Entertainment AG and UK's PartyGaming Plc, disappointed in particular. The shares came under pressure from rumours that their merger, which was announced in July 2010, might not take place after all. However, the companies announced repeatedly that the merger was on track and should be completed in the first quarter of 2011.

Key changes to the portfolio¹

The fund manager substantially increased the Fund's weighting in support services by establishing holdings in Spanish airline reservations systems provider Amadeus IT Holding SA, French voucher business Edenred SA and UK-based De La Rue plc, which prints banknotes and security documents.

Positions in Spanish bank Banco Santander, S.A. as well as insurers Axa SA and Ageas N.V. were closed due to the fund manager's concerns over their potential exposure to peripheral eurozone debt and the volatile financial markets in southern Europe.

Outlook

The fund manager believes that until the fiscal and economic problems in Europe have been properly addressed and solved, the concerns about the peripheral eurozone will continue to preoccupy investors. At the same time, tax increases and government spending cuts that have been introduced in many European countries, as well as the UK, are likely to slow the already fragile economic growth.

However, the fund manager believes that this market environment is especially suited for skilled stock pickers who can identify growth companies. One of his strategies includes investing in high premium brand companies that can benefit from fast-growing markets outside of Europe. He believes that European companies that do not have exposure to emerging markets can also be successful but this will require them to find fresh ways to generate business.

¹ Please note that the securities mentioned herein are included for illustrative 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

Fund Performance

(As at 31 December 2010)

Fund / Benchmark	3 months	6 months	1 year	3 years	5 years	Since inception*
	%	%	%	%	%	%
PRU Pan European Fund	2.3	17.5	-6.2	-12.5	-2.5	-0.3
FTSE World Europe (including UK) Index *	1.9	14.9	-4.7	-11.7	-1.5	1.3

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, if any.

* The benchmark of the Fund was changed from the FTSE Eurotop 300 to the FTSE World Europe (including UK) Index with effect from 17 March 2005. The change in benchmark is to better reflect the investment focus and approach of the Fund. From inception to 16 March 2005, the Fund was benchmarked against FTSE Eurotop 300 Index and from 17 March 2005, the Fund was benchmarked against FTSE World Europe (including UK) Index. The two series are chain-linked to derive the longer period benchmark returns.

There has been no dividend distribution since the inception of the Fund.

* 4 May 2001

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

Schedule of Investments

(As at 31 December 2010)

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets***
	<u>Luxembourg</u>		
	International Opportunities		
	Funds: - Pan European		
4,190,087	Class C	44,938,679	99.92
Total Investments		44,938,679	99.92
Other Net Assets		37,258	0.08
Total Net Assets Attributable to Unitholders		44,975,937	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 2010)

Exposure to Derivatives

Nil.

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

The Fund invests SGD 44,938,679 equivalent to 99.92% of its net asset attributable to unitholders, in International Opportunities Funds - Pan European.

Borrowings

Nil.

Related Party Transactions

The Fund invests SGD 44,938,679 equivalent to 99.92% 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 2010

	SGD
Subscriptions	3,766,096
Redemptions	9,421,110

Annualised Expense Ratio**

1.73% (2009: 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

4.24% (2009: 3.96%)

Soft Dollar Commission

Nil for the Fund.

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 2010)

	Market Value USD	% of Net Assets***
DCC PLC	2,898,271	3.94
Grpe Euro Tunnel Sa	2,766,775	3.76
Sportingbet PLC	2,502,220	3.4
Amadeus It Holding SA	2,412,800	3.28
Vallourec	2,257,103	3.07
Compass Group PLC	2,217,155	3.02
Hugo Boss PFD	1,971,307	2.68
Valeo SA	1,963,548	2.67
Storebrand Asa	1,924,245	2.62
GAM Holding AG	1,862,705	2.53

Top 10 Holdings

(As at 31 December 2009)

	Market Value USD	% of Net Assets***
Tullow Oil PLC	5,631,640	5.44
Sportingbet PLC	4,500,762	4.35
Partygaming PLC	4,432,927	4.28
Grpe Euro Tunnel Sa	4,258,880	4.11
Vallourec	4,086,916	3.95
Storebrand Asa	3,990,992	3.86
AXA SA	3,832,041	3.70
Credit Suisse Group Ag-Re	3,043,806	2.94
Fortum Oyj	2,887,382	2.79
Grifols SA	2,884,443	2.79

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

Annualised Expense Ratio**

1.09% (2009: 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

111.95% (2009: 86.71%)

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 fund organised as a direct investment portfolio.

The Fund is no longer available for subscription. This is solely for the information of unitholders in the Fund and, accordingly, is not and should not be construed as an offer of units in the Fund or an advertisement in respect thereof.

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 PRU Protected Global Titans Fund (S\$) fell 2.8% (bid-to-bid basis) over the review period, underperforming its CPF Ordinary Account interest rate benchmark return of 2.5%.

Market background

Markets started the year on a stable footing, riding on the positive momentum that started in Q2 2009. However, the initial positive sentiment was quickly overshadowed by concerns over the European sovereign debt woes and the slowing global growth, which triggered bouts of risk aversion in equity markets. Overall, however, the global equity market, as represented by the Dow Jones Global Titans 50 index, managed to post a modest positive return (in USD) as investors were cheered by the prospect of further stimulative measures in the US through quantitative easing. A pick-up in the US economic data towards the year end also led to expectations of a sustained global recovery.

In the interest rate markets, on the other hand, global interest rates remained low as policy rates in the G3 countries were at near-zero levels and liquidity conditions continued to be flush. This also resulted in some declines in the Singapore short rates.

Factors affecting performance

The Fund’s performance was negatively impacted by its exposure to the Dow Jones Global Titans 50 index via a call option. The call option expired in November below the strike level.

Key changes to the portfolio

The Fund continued to maintain its exposures in short-dated fixed income holdings.

Outlook

Looking into 2011, while the global economy is expected to be on a more stable footing, the wide divide between the poor fiscal health of the public sector in developed markets and the generally sound balance sheets of the corporate sector is unlikely to narrow. As a result, investors are likely to keep demand for corporate securities - both equity and debt - strong. However, the fund manager is mindful of potential headwinds from ongoing macro uncertainties, including the rising inflation risks in the emerging markets and ongoing fiscal uncertainties in the peripheral Europe countries.

PRU PROTECTED GLOBAL TITANS FUND (S\$)

Fund Performance

(As at 31 December 2010)

Fund / Benchmark	3 months	6 months	1 year	3 years	5 years	Since inception*
	%	%	%	%	%	%
PRU Protected Global Titans Fund (S\$)	-0.5	-0.1	-2.8	0.9	2.9	1.6
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, if any. * Proportion of 1 year CPF interest rate.

There has been no dividend distribution since the inception of the Fund.

* 31 October 2001

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

PRU PROTECTED GLOBAL TITANS FUND (S\$)

(As at 31 December 2010)

Exposure to Derivatives

The Fund has the following exposure to derivatives as at 31 December 2010:

	Fair value 31 Dec 2010 SGD	Percentage of total net assets attributable to unitholders (%)
Forward foreign exchange contracts	22,350	0.13

The realised and unrealised gains at the end of the year were SGD 137,636 and SGD 22,350 respectively.

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 2010

	SGD
Subscriptions	3,842,559
Redemptions	11,238,376

Annualised Expense Ratio**

0.66% (2009: 0.70%)

*** 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

25.53% (2009: 82.37%)

Soft Dollar Commission

Nil for the Fund.

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

Nil.

PRU PROTECTED GLOBAL TITANS FUND (S\$)

Top 10 Holdings

(As at 31 December 2010)

	Market Value SGD	% of Net Assets***
General Elec Cap 3.485% 08/03/2012	1,334,580	8.03
Sunshine Assets Limited MTN 2.78% 11/02/2011	1,264,014	7.61
City Developments Limited Series MTN 3.38% 25/04/2012	1,029,518	6.20
Export-Import Bank of Korea EMTN 2.8% 04/05/2012	1,018,049	6.13
Ascendas Real Estate Investment MTN 4.75% 29/04/2011	1,017,790	6.12
Midpoint Properties Series MTN 3.75% 04/07/2011	767,775	4.62
Shinsegae Company Limited 6.125% 27/06/2011	676,468	4.07
Ascott Capital Pte Limited Series MTN 4.7% 07/07/2011	518,450	3.12
Capitaland Commercial Limited MTN 4.4% 03/03/2011	509,361	3.06
Bank of America Corporation 4% 09/03/2011	508,642	3.06

Top 10 Holdings

(As at 31 December 2009)

	Market Value SGD	% of Net Assets***
Sunshine Assets Limited MTN 2.78% 11/02/2011	1,262,739	5.12
Westfield Capital Corporation Series 4.375% 15/11/2010	1,078,824	4.38
Ascendas Real Estate Investment MTN 4.75% 29/04/2011	1,028,725	4.17
CCT MTN Pte Limited Series MTN 3.85% 20/08/2010	1,023,837	4.15
National Agricultural Company GMTN 3.3% 18/08/2010	1,018,776	4.13
Export-Import Bank of Korea EMTN 4.85% 28/04/2010	1,016,997	4.13
Mapletreelog Treasury Company MTN 3.8% 12/03/2010	1,012,832	4.11
Kookmin Bank Series GMTN 2.05% 18/10/2010	1,006,051	4.08
Midpoint Properties Series MTN 3.75% 04/07/2011	774,422	3.14
Ascott Capital Pte Limited MTN 3.1% 05/03/2010	759,039	3.08

PRU PROTECTED GLOBAL TITANS FUND (S\$)

Schedule of Investments

(As at 31 December 2010)

	Market Value SGD	% of Net Assets***
Country		
Singapore	12,793,776	76.99
South Korea	1,694,517	10.20
United States of America	1,843,222	11.09
	Market Value SGD	% of Net Assets***
Industry		
Banks	6,927,588	41.69
Diversified financial services	1,940,482	11.68
Electronic	1,334,580	8.03
Finance	507,875	3.06
Miscellaneous	508,039	3.06
Real estate	3,587,838	21.59
Real estate investment trusts	1,525,113	9.17
	Market Value SGD	% of Net Assets***
Credit Ratings (by S&P/Moody's)		
AA+	1,334,580	8.03
A	1,526,691	9.19
A-	930,846	5.60
Baa	2,281,804	13.73
Not rated	4,856,697	29.23
	Market Value SGD	% of Net Assets***
Asset Class		
Bonds	10,930,618	65.78
Time deposits	5,400,897	32.50
Other net assets	286,531	1.72

*** 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 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 Commentary

Fund performance

For the year ended 31 December 2010, the PRU Asian Balanced Fund rose by 4.3% (bid-to-bid basis), underperforming its composite benchmark return of 4.7%.

Market background

The stock markets of Asia ex-Japan reported strong gains in 2010. Generally-upbeat perceptions of the US and Chinese economies offset concern about Europe’s debt problems. While US credit markets also delivered decent performance in USD terms for the review period, the SGD appreciation has reduced these gains significantly. Riskier lower quality investment grade corporates outperformed higher quality issuers.

Factors affecting performance¹

For the review period, the Fund’s broad strategy of overweighting Asian equities into US bonds contributed positively to its relative performance against the composite benchmark, as Asian equities outperformed US bonds over the corresponding period. The underperformance of the Asian equity and US bond sub-funds moderated some of the outperformance from the Fund’s asset allocation strategy, however.

Within the Asian equity sub-fund, stock selection in the financial (in particular Philippine’s Metropolitan Bank & Trust Co.) and energy sectors, and asset allocation to energy, contributed strongly to the Fund’s relative performance. However stock selection in materials and utilities, and asset allocation to materials, detracted. At the country level, China and Singapore were large contributors to the Fund’s performance whilst Korea and Taiwan detracted.

PRU ASIAN BALANCED FUND

Within the US high investment grade bond sub-fund, the Fund's positioning in banking sector and out-of-index overweight to commercial mortgage-backed securities (CMBS) were the top contributors to relative return. In 2010, CMBS returns were spurred by recovering property market fundamentals. Being underweight in Barclays Bank and Credit Suisse aided relative returns. The overweight positioning in General Electric was the sole source of the notable contribution from Consumer, Commercial, and Lease Financing sector.

The largest contributors in the US investment grade bond sub-fund were also its out-of-index positioning in CMBS; and being overweight Southern Power and underweight EDP Finance B.V. in the Electric Integrated sector. The out-of-index positioning in auto loan backed securities was the top source of negative excess total return, largely due to asset-based securities (ABS) being a shorter duration product in the midst of falling treasury yields.

Key changes to the portfolio

The Fund moved from neutral to an overweight position in Asian equities (out of US bonds) in May as the market sell-off amidst European debt worries brought valuations to cheaper levels. Coupled with positive economic and earnings news, the fund manager believed the market sell-off created a good opportunity to add some equity risk to the Fund. The Fund has maintained the overweight in Asian equities through to the end of 2010.

Outlook

The fund manager maintains a medium-term positive view on Asian economic growth prospects relative to those of the world's developed economies. Low global interest rates and supportive liquidity conditions are positive drivers for continued Asian equities performance. However, Asian equity valuations are now slightly expensive, following two consecutive years of strong performance. Furthermore, earnings growth expectations in Asia might be too optimistic in the fund manager's opinion. The key risks to Asian earnings include potential margin pressures as a result of rising inflation from wages and raw materials, and potential economic slowdown given the policy tightening risks. On the other hand, US credit spreads are still somewhat elevated (relative to history) and in the absence of risk aversion, markets should deliver stable returns. Furthermore, the economic recovery in the US is gaining traction after the added monetary and fiscal stimulus measures announced in the second half of 2010.

In summary, the fund manager does not expect Asian equities to outperform US credits in the near term. Furthermore, there is no clear valuation signal to justify taking an active risk versus the benchmark. As such, the fund manager will look to move the Fund's overweight position in Asian equities over US bonds to a neutral allocation between the two asset classes.

¹ Please note that the securities mentioned herein are included for illustrative 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

Fund Performance

(As at 31 December 2010)

Fund / Benchmark	3 months %	6 months %	1 year %	3 years %	5 years %	Since inception* %
	(average annual compounded return)					
PRU Asian Balanced Fund	0.8	5.6	4.3	-0.6	3.6	7.8
<u>Composite Benchmark</u> 50% MSCI AC Asia ex Japan Index 30% The BofA Merrill Lynch U.S. Corporates, A2 Rated and above Index (formerly known as Merrill Lynch US Corporates A-AAA rated (adjusted for A- credits)) 20% The BofA Merrill Lynch U.S. Corporates, BBB3-A3 Rated Index (formerly known as Merrill Lynch US Corporates BBB – A rated) *	-0.2	3.9	4.7	0.5	4.5	8.2

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, if any.

* Please note that with effect from 1 October 2008 the benchmark for the Fund was changed from a composite of 50% MSCI Far East Fr ex Japan Index, 30% The BofA Merrill Lynch U.S. Corporates, A2 Rated and above Index, and 20% The BofA Merrill Lynch U.S. Corporates, BBB3-A3 Rated Index (the "old benchmark") to a composite of 50% MSCI AC Asia ex Japan Index, 30% The BofA Merrill Lynch U.S. Corporates, A2 Rated and above Index, and 20% The BofA Merrill Lynch U.S. Corporates, BBB3-A3 Rated Index (the "new benchmark"). The change is to better reflect the investment objective and focus of the Fund as the MSCI AC Asia ex Japan Index covers India and Pakistan in addition to the countries in the MSCI Far East Fr ex Japan Index. From inception to 30 September 2008, the Fund was benchmarked against the old benchmark and from 10 October 2008, the Fund was benchmarked against the new benchmark. The two series are chain-linked to derive the longer period benchmark returns.

Please note that The BofA Merrill Lynch U.S. Corporates, A2 Rated and above Index was formerly known as Merrill Lynch US Corporates A-AAA rated (adjusted for A- credits) and The BofA Merrill Lynch U.S. Corporates, BBB3-A3 Rated Index was formerly known as Merrill Lynch US Corporates BBB – A rated.

There has been no dividend distribution since the inception of the Fund.

* 24 February 2003

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

PRU ASIAN BALANCED FUND

Schedule of Investments

(As at 31 December 2010)

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets***
	<u>Luxembourg</u>		
	International Opportunities Funds:		
9,137,314	- Asian Equity Class C	446,091,123	54.12
	International Opportunities Funds:		
12,148,359	- US High Investment Grade Bond Class B	227,354,829	27.59
	International Opportunities Funds:		
6,787,029	- US Investment Grade Bond Class B	149,406,696	18.13
Total Investments		822,852,648	99.84
Other Net Assets		1,329,415	0.16
Total Net Assets Attributable to Unitholders		824,182,063	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 2010)

Exposure to Derivatives

Nil

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

The PRU Asian Balanced Fund invests SGD 446,091,123, SGD 227,354,829 and SGD 149,406,696 equivalent to 54.12%, 27.59% and 18.13% 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 446,091,123, SGD 227,354,829 and SGD 149,406,696 equivalent to 54.12%, 27.59% and 18.13% 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 2010

	SGD
Subscriptions	50,516,116
Redemptions	53,675,539

Annualised Expense Ratio**

1.42% (2009: 1.44%)

*** 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

15.36% (2009: 32.54%)

Soft Dollar Commission

Nil for the Fund.

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 2010)

	Market Value USD	% of Net Assets***
Samsung Electronics Co Ltd	40,347,341	4.25
Hutchison Whampoa Ltd	32,234,029	3.40
Bank Of China Ltd - H	30,812,325	3.25
Hon Hai Precision Industry	27,017,991	2.85
Samsung Fire & Marine Insurance	26,659,396	2.81
China Unicom Hong Kong Ltd	23,796,604	2.51
Shinsegae Co Ltd	23,745,769	2.50
Hyundai Engineering and Construction	22,182,320	2.34
Aac Acoustic Technologies	21,414,286	2.26
Cnooc Ltd	21,139,281	2.23

Top 10 Holdings

(As at 31 December 2009)

	Market Value USD	% of Net Assets***
Hon Hai Precision Industry	26,973,637	3.27
Bank Of China Ltd - H	24,124,469	2.92
Samsung Electronics Co Ltd	23,610,972	2.86
China Mobile Ltd	23,595,585	2.86
Henderson Land Development	21,668,095	2.63
Wharf Holdings	21,638,862	2.62
Cnooc Ltd	21,553,446	2.61
Aac Acoustic Technologies	21,020,268	2.55
Shinsegae Co Ltd	20,994,405	2.54
ICICI Bank Ltd	20,561,590	2.49

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

Annualised Expense Ratio**

1.09% (2009: 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

50.86% (2009: 53.65%)

INTERNATIONAL OPPORTUNITIES FUNDS – US HIGH INVESTMENT GRADE BOND

Top 10 Holdings

(As at 31 December 2010)

	Market Value USD	% of Net Assets***
Bank of New York Mellon Liquidity B Fund	5,750,373	2.40
Bank of America Corp 5.75% 1/12/2017	4,148,208	1.73
General Elec Cap Corp 2.25% 09/11/2015	3,831,280	1.60
Morgan Stanley 5.75% 31/8/2012	3,206,076	1.34
Novartis 2.9% 24/04/2015	3,074,817	1.28
Credit Suisse New York 5.5% 1/5/2014	2,955,933	1.23
Westpac Bank 3% 04/08/2015	2,907,627	1.21
Roche Holding Inc 6% 1/3/2019	2,778,101	1.16
JPMorgan Chase & Co 6.3% 23/4/2019	2,662,715	1.11
General Elec Cap Corp 6.88% 10/1/2039	2,624,038	1.09

Top 10 Holdings

(As at 31 December 2009)

	Market Value USD	% of Net Assets***
Wells Fargo & Co 5.625% 11/12/2017	5,168,518	2.37
JPMorgan Chase & Co 6.3% 23/4/2019	3,480,148	1.60
Merrill Lynch & Co 6.05% 15/8/2012	3,325,916	1.53
Morgan Stanley 5.75% 31/8/2012	3,222,867	1.48
Bank of America Corp 5.75% 1/12/2017	3,083,718	1.41
IBM Corp 2.1% 6/5/2013	3,001,281	1.38
Credit Suisse New York 5.5% 1/5/2014	2,938,056	1.35
General Elec Cap Corp 5.25% 19/10/2012	2,665,120	1.22
Roche Holding Inc 6% 1/3/2019	2,648,592	1.21
General Elec Cap Corp 6.875% 10/1/2039	2,641,361	1.21

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

Annualised Expense Ratio**

0.55% (2009: 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

109.52% (2009: 160.09%)

INTERNATIONAL OPPORTUNITIES FUNDS – US INVESTMENT GRADE BOND

Top 10 Holdings

(As at 31 December 2010)

	Market Value USD	% of Net Assets***
Bank of New York Mellon Liquidity B Fund	7,490,133	1.37
Georgia P 1.3% 15/09/2013	5,999,334	1.09
Wachovia VAR 01/07/2045	4,905,199	0.90
Goldman Sachs Group Inc 6.75% 1/10/2037	4,554,695	0.83
Citigroup Inc 5% 15/9/2014	3,994,924	0.73
Dominion 2.25% 01/09/2015	3,932,324	0.72
American 2.75% 15/09/2015	3,728,494	0.68
Anheuser-Busch Inbev Wor 4.125% 15/1/2015	3,678,185	0.67
Xstrata Finance Canada 7.25% 15/7/2012	3,545,938	0.65
NBC Unive 2.88% 01/04/2016	3,360,569	0.61

Top 10 Holdings

(As at 31 December 2009)

	Market Value USD	% of Net Assets***
Chase Issuance Trust 2007-A15 4.96% 17/9/2012	5,151,961	1.24
Diageo Finance Bv 3.25% 15/1/2015	4,783,339	1.15
Walot 2007-1 5.29% 20/4/2012	4,690,766	1.13
Wachovia Bank Commercial Mortgage T 2006-C27 5.765% 15/7/2045	4,155,686	1.00
Barclays Bank Plc 2.5% 23/1/2013	4,003,636	0.97
Goldman Sachs Group Inc 6.75% 1/10/2037	3,825,929	0.92
Citigroup Inc 5% 15/9/2014	3,741,353	0.90
Simon Property Group Inc 6.75% 15/5/2014	3,739,890	0.90
Xstrata Finance Canada 7.25% 15/7/2012	3,571,330	0.86
Anheuser-Busch Inbev Wor 4.125% 15/1/2015	3,564,946	0.86

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

Annualised Expense Ratio**

0.55% (2009: 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

129.28% (2009: 201.12%)

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 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 Commentary

Fund performance

The Fund rose by 5.8% (bid-to-bid basis) for the year ended 31 December 2010, outperforming the benchmark by 2.6%.

Market background

The China and India markets posted smaller price gains after their strong rebound in 2009. Both countries posted steady economic growth underpinned by strong consumption demand. Containing price rises and normalising interest rates were key issues for both countries in 2010. The Reserve Bank of India raised the policy rate six times or by 150 basis points whilst the People’s Bank of China upped its lending rate twice or by 50 basis points and selectively increased reserve requirement ratios for the larger banks. The Chinese government was under pressure to revalue the Renminbi to reflect its economic fundamentals.

PRU DRAGON PEACOCK FUND

Factors affecting performance¹

The Fund's outperformance came mainly from stock selection in both China and India. AXIS Bank Ltd was one of the top contributors. Strong earnings expectations boosted AXIS Bank's share price while the lack of exposure to China Life Insurance Co. Ltd, which underperformed the market, also lifted the Fund's overall performance. The Fund's position in China Zhongwang Holdings Ltd and BYD Co. Ltd hurt performance. China Zhongwang's share price declined on disappointing reported earnings. BYD's share price fell on slower-than-expected sell-through of its auto products. Its inventory issue has since improved.

Key changes to the portfolio¹

The Fund exited from AAC Acoustic on high valuation ground and Li Ning Co. Ltd on competition concerns. It also trimmed AXIS Bank and disposed of Maruti Suzuki India Ltd and GVK Power & Infrastructure Ltd. These proceeds were used to buy into various cheaper quality plays including Evergrande Real Estate Group Ltd, Xingda International Holdings Limited as well as Bharat Heavy Electricals Limited. Evergrande Real Estate is one of the largest property companies in China with a focus on second-tier cities. Robust property sales despite stricter rules have led to a strengthening in its share price. The Fund also built a position in Mahindra & Mahindra Financial Services Ltd given its exposure to the growing auto finance market in non-metro cities. This is an indirect play on rising consumption trends in India.

Outlook

Leading economic indicators for both China and India remain positive, albeit at slower momentum. Inflation is a key issue going into 2011 where the consensus is for more rate hikes for both markets in the first quarter. The fund manager believes the two central banks may continue to take calibrated measures to raise rates so as to not disrupt demand. Market valuations are currently fair, and the fund manager will focus on stock picking and bargain hunt for undervalued companies standing on attractive prices.

¹ Please note that the securities mentioned herein are included for illustrative 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

Fund Performance

(As at 31 December 2010)

Fund / Benchmark	3 months	6 months	1 year	3 years	5 years	Since inception*
	%	%	%	%	%	%
PRU Dragon Peacock Fund	-0.1	7.5	5.8	-6.6	12.7	16.0
<u>Composite Benchmark</u>			(average annual compounded return)			
50% MSCI China Index	-1.1	5.5	3.2	-7.3	14.6	20.0
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, if any.

There has been no dividend distribution since the inception of the Fund.

* 18 June 2004

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

PRU DRAGON PEACOCK FUND

(As at 31 December 2010)

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 2010

	SGD
Subscriptions	123,975,467
Redemptions	177,957,855

Annualised Expense Ratio**

1.62% (2009: 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

16.78% (2009: 27.07%)

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 2010)

Soft-dollar commissions/arrangements shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

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 2010)

	Market Value SGD	% of Net Assets***
Bank of China Limited	105,505,433	7.90
Infosys Technologies Limited	76,423,159	5.72
Reliance Industries Limited	68,720,039	5.15
Industrial and Commercial Bank of China Company Limited	52,476,878	3.93
ICICI Bank Limited	50,710,864	3.80
CNOOC Limited	46,025,664	3.45
Dr Reddy's Laboratories Limited	39,439,017	2.95
Focus Media Holding Limited	38,656,555	2.89
Evergrande Real Estate Group	38,531,115	2.88
Hindalco Industries Limited	37,632,504	2.82

Top 10 Holdings

(As at 31 December 2009)

	Market Value SGD	% of Net Assets***
Industrial and Commercial Bank of China Company Limited	75,874,361	5.76
Bank of China Limited	71,013,470	5.39
Reliance Industries Limited	68,752,735	5.22
ICICI Bank Limited	58,319,264	4.43
Infosys Technologies Limited	58,247,748	4.42
Axis Bank Limited	47,161,047	3.58
China Mobile Limited	43,853,797	3.33
Sterlite Industries (India) Limited	38,499,210	2.92
BYD Company Limited	36,347,323	2.76
CNOOC Limited	33,547,227	2.55

***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 2010)

	Market Value SGD	% of Net Assets***
Country		
Cayman Islands	19,183,091	1.44
China	340,952,623	25.52
Hong Kong	310,311,260	23.23
India	658,657,438	49.31
Industry		
Advertising	38,656,555	2.89
Automotive	60,183,719	4.50
Auto & trucks	27,118,257	2.03
Banks	221,131,748	16.56
Cement	20,624,085	1.54
Consumer	49,153,594	3.68
Diversified resource	7,553,570	0.57
Electronics	58,138,167	4.35
Finance	74,490,078	5.58
Gas	21,350,855	1.60
Insurance	52,924,163	3.96
Internet software	152,410,391	11.41
Manufacturing	30,163,866	2.26
Media	22,899,962	1.71
Medical-drugs	39,439,017	2.95
Metal products	61,777,577	4.63
Mining	26,077,283	1.95
Miscellaneous	19,183,091	1.44
Oil & Gas	106,660,474	7.98
Petrol	68,720,039	5.15
Property	15,516,985	1.16
Real estate	48,588,380	3.63
Services	5,621,326	0.42
Telecom services	70,507,461	5.29
Tobacco	16,438,417	1.23
Transport	7,187,888	0.54
Asset Class		
Equities	1,329,104,412	99.50
Other net current assets	6,646,255	0.50

*** 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 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 Basic 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 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 Fund may also invest in other global equities. The sole aim of the 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 Fund into the M&G Global Basics Fund which shares the same investment objective.

Manager’s Commentary

Fund performance¹

For the twelve months ended 31 December 2010, the PRU Global Basics Fund rose by 12.8% (bid-to-bid basis) while its benchmark gained 7.0%.

PRU GLOBAL BASICS FUND

Market background

Initial optimism at the start of 2010 over the global economy dissipated as investors became increasingly concerned over the government debt crisis in the eurozone's periphery and a possible double-dip recession in the US. Conditions improved in the second half on news of strong economic data from US and China, and further quantitative easing from the US Federal Reserve.

Factors affecting performance²

The Fund performed exceptionally well during the 12 months under review. Stock selection in the basic materials and consumer goods sectors was particularly well rewarded.

Australian mineral sands producer Iluka Resources Ltd, was the biggest single positive contributor to the Fund's performance. The stock was a significant beneficiary of growing demand for zircon, used in the construction of ceramics for floor and wall tiles. 'Safe haven' buying helped to push the price of gold to record levels and this was helpful for a number of holdings in the portfolio, including UK-listed precious metal producer Hochschild Mining, a new addition during the review period.

In the consumer goods sector, Singaporean food & beverages conglomerate Fraser & Neave Ltd and UK-based soap and personal care products manufacturer PZ Cussons PLC were leading positive contributors. In the first half of the review period, these cash-generative firms were seen as 'safe havens' for investors worried about growing stock market volatility.

Anglo-Irish exploration group Tullow Oil PLC was a key detractor from the Fund's performance. Shares in the company depreciated due to a large capital raising. The fund manager retains confidence in Tullow, an outstanding business with a strong portfolio of quality assets across the North Sea, Africa and the Indian sub-continent.

Given investors' risk appetite it was also no surprise that some of the more defensive names in the portfolio underperformed. For instance, Anglo-Dutch consumer products giant Unilever PLC and US oral care firm Colgate-Palmolive Company were amongst the biggest laggards. The fund manager continues to hold these globally diversified, cash-generative firms, and is confident they can increase their presence in the emerging markets, whilst also retaining their competitive pricing power.

Key changes to portfolio²

Gold and precious metals producers were a key focus of the fund manager's investment activity during the period, although the portfolio's gold weighting remains relatively small. Aside from Hochschild Mining he initiated a position in Centerra Gold Inc (Canada). He believes both companies can produce profitable returns and sustainable production growth over the longer term, irrespective of volatility in the price of gold.

PRU GLOBAL BASICS FUND

Other new US investments included diversified construction businesses Fluor Corporation, and agricultural producer Monsanto Company. He also invested in Boral Ltd, an Australian building materials supplier. These are companies that he believes are well positioned to benefit from increasing demand for their goods or services, particularly in less developed parts of the world.

The fund manager took profits from some of the best performing stocks in the portfolio, primarily cyclical companies including diversified UK-listed miner BHP Billiton Limited, US dental products supplier Dentsply International Inc and specialty chemicals producer Johnson Matthey PLC (UK). He also closed a position in Constellation Brands Inc, a US drinks business. An inopportune decision by the firm's management team to focus on the high-quality end of the wine market had put a major strain on operations.

Outlook

While continued improvement in economic conditions broadly supported investors' risk appetite in 2010, the outlook for the world's developed economies, in particular, remains uncertain. However, the fund manager believes that faster-growing parts of the world still offer great opportunity for global equity investors.

The fund manager remains committed to his established process of investing in well managed companies with strategically important assets, returns-focused management teams and strong adherence to corporate governance practices.

¹ *The performance mentioned above applies to SGD Class only and not the USD and EUR Classes.*

² *Please note that the securities mentioned herein are included for illustrative 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

Fund Performance

(As at 31 December 2010)

Fund / Benchmark	3 months	6 months	1 year	3 years	5 years	Since inception*
	%	%	%	%	%	%
PRU Global Basics Fund SGD Class	11.7	24.2	12.8	-4.1	3.8	4.4
FTSE Global Basics Composite Index SGD	8.3	18.4	7.0	-4.9	2.2	3.2
PRU Global Basics Fund USD Class	14.7	35.3	23.6	-0.3	N.A.	7.8
FTSE Global Basics Composite Index USD	11.2	29.0	17.3	-1.1	N.A.	6.8
PRU Global Basics Fund Euro Class	16.7	23.5	32.2	N.A.	N.A.	2.4
FTSE Global Basics Composite Index Euro	13.2	17.8	25.5	N.A.	N.A.	4.1

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, if any. 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.

The FTSE Global Basics Composite Index is a customised benchmark which is derived by combining all the sector indices of the FTSE World Index save for the media, IT, telecommunications, financials and healthcare sector indices.

There has been no dividend distribution since the inception of the Fund.

* PRU Global Basics Fund SGD Class 18 October 2005, PRU Global Basics Fund USD Class 11 September 2006, PRU Global Basics Fund Euro Class 6 May 2008.

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

PRU GLOBAL BASICS FUND

Schedule of Investments

(As at 31 December 2010)

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets***
	<u>United Kingdom</u>		
	M&G Investment Funds (1)		
	- Global Basics Fund Net		
	Accumulation Shares in		
20,294,238	Sterling Class A	432,769,489	99.94
Total Investments		432,769,489	99.94
Other Net Assets		240,177	0.06
Total Net Assets Attributable to Unitholders		433,009,666	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 2010)

Exposure to Derivatives

Nil.

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

The Fund invests SGD 432,769,489 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 432,769,489 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 2010

	SGD
Subscriptions	20,144,516
Redemptions	77,993,892

Annualised Expense Ratio**

1.76% (2009: 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

0.82% (2009: 3.07%)

Soft Dollar Commission

Nil for the Fund.

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 2010)

	Market Value GBP	% of Net Assets***
Fraser & Neave	280,081,362	4.46
Illuka Resources	218,345,441	3.46
Unilever	200,158,000	3.21
Tullow Oil	186,381,046	3.04
Lonmin	184,631,016	3.00
K&S	184,543,671	2.97
Imerys	179,248,164	2.91
Eramet	178,808,963	2.88
AMMB	176,761,904	2.84
Noble	170,016,574	2.82

Top 10 Holdings

(As at 31 December 2009)

	Market Value GBP	% of Net Assets***
Lonmin	180,161,216	4.57
Tullow Oil	177,586,500	4.51
Unilever	169,589,250	4.30
Sims	161,284,689	4.09
Eramet	156,165,915	3.96
Imerys	146,065,070	3.71
Johnson Matthey	131,962,844	3.35
Fraser and Neave	128,584,664	3.26
Colgate-Palmolive	125,332,654	3.18
Constellation Brands	121,439,289	3.08

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

Annualised Expense Ratio**

1.68%^ (2009: 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.

^ For the period 1 September 2009 to 31 August 2010. Source: Annual Investment Report and Financial Statements (audited), October 2010, of M&G Investment Funds (1)

Turnover Ratio

29.85%# (2009: 15.80%)

For the period 1 September 2009 to 31 August 2010. Source: Annual Investment Report and Financial Statements (audited), October 2010, of M&G Investment Funds (1)

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 (the “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 Asset Management Singapore Pte. Limited (formerly known as 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 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 Commentary

Fund performance

The PRU Global Balanced Fund gained 4.8% (bid-to-bid basis) for the year ending 31 December 2010, outperforming its composite benchmark¹ by 4.0%.

Market background

Global equity markets started 2010 on a positive note as optimism grew about the prospect of a widespread economic recovery. There was a marked improvement in the manufacturing sector in the US, while corporate results were also generally better than expected. However, equity markets came under heavy selling pressure from April onwards amid concerns that the mounting government debt crisis in the eurozone’s periphery and weak economic data from the US could tip the economy into a double-dip recession. Conditions improved in the second half of the year, when investors’ risk appetite was bolstered by upbeat corporate results and improving economic data from the US and China. This encouraged confidence in the prospects for a sustained recovery and drove equity markets to finish the year strongly. Investors also responded positively to the US Federal Reserve’s decision to inject a further US\$600 billion into the country’s economy through a second round of Treasury purchases. Against this backdrop, the FTSE Global Basics Composite Index rose 7.04% in Singapore dollar terms over the review period.

PRU GLOBAL BALANCED FUND

Paling in comparison, the Citigroup World Government Bond (ex Japan) Index fell 8.53% in Singapore dollar terms. The loss was driven mainly by a strong Singapore dollar, which appreciated 8.8% against the US dollar over the year. For the year, the riskier segments of the fixed-income market produced strong results and outperformed sovereign bonds. This was due, in part, to improving economic conditions following the lengthy downturn from mid-2008 through mid-2009. Also supporting the spread sectors (non-U.S. Treasuries) was overall solid demand from investors seeking incremental yields given the low rates available from short-term fixed-income securities.

Factors affecting performance²

The Fund feeds into the M&G Global Basics Fund and the Legg Mason Global Bond Trust. The Fund's outperformance over the review period was due to the outperformance of the two underlying sub-funds.

The underlying global equity sub-fund's strong performance over the review period was helped by its holdings in companies across a range of industries. Stock selection in the basic materials and consumer goods sectors was particularly well rewarded. These included Australian mineral sands producer Iluka Resources, UK-listed precious metal producer Hochschild Mining, Singaporean food & beverages conglomerate Fraser & Neave (F&N) and UK-based soap and personal care products manufacturer PZ Cussons. US coffee chain Starbucks and Yum! Brands (owner of KFC and Pizza Hut) also performed well, helped by investors' expectations that demand for fast food in the emerging markets would continue to grow. Less positively, Anglo-Irish exploration group Tullow Oil was a key detractor as its share price fell due to a large capital raising. In addition, some of the more defensive names in the portfolio underperformed given investors' risk appetite. For instance, Anglo-Dutch consumer products giant Unilever and US oral care firm Colgate-Palmolive were amongst the biggest laggards.

A large contributor to the global bond sub-fund's relative performance during the review period was its overweight exposure to investment grade bonds. In particular, the focus on diversified banks was rewarded. Duration strategies also had a positive impact. While the global bond sub-fund moved to a neutral duration later in the period, overall it had a long duration position relative to its benchmark. This was positive for performance as interest rates declined through late summer. Currency strategies also contributed, driven primarily by a short euro position. An underweight to the peripheral economies of the eurozone also had a positive impact as spreads widened on default concerns. While positioning for a flatter yield curve was beneficial for much of the year, this strategy detracted from performance during the fourth quarter of 2010.

Key changes to the portfolio

The Fund has generally maintained its allocations of 60% towards global equities and 40% towards global bonds over the review period.

PRU GLOBAL BALANCED FUND

Outlook

Looking ahead, the Fund will continue to maintain its allocations of approximately 60% in global equities and 40% in global bond.

While continued improvement in economic conditions broadly supported investors' risk appetite in 2010, the outlook for the world's developed economies, in particular, remains uncertain. However, the global equity sub-fund manager believes that faster-growing parts of the world still offer great opportunity for global equity investors. Nevertheless, a focus on company fundamentals remains the crucial factor when the global equity sub-manager considers potential investments. Despite the inevitable swings in investor sentiment in the short term, he looks to consistently apply a stock-specific, valuation-based investment approach that seeks to deliver returns over the long term.

In light of the recent string of surprisingly strong US economic data, the global bond sub-manager reiterates his long-standing, cautiously optimistic outlook for modest economic growth combined with subdued pricing pressure. As such, he will focus on risk assets, particularly corporate issuers with liquid balance sheets. His expectation is for broad outperformance of large, globally diversified banks as a result of ongoing deleveraging and improved capital and liquidity. The increase in regulation and government oversight should make the financial system more stable, which is good for creditors. Within Europe, the global bond sub-fund is focused on a number of select subordinated issues that continue to trade at prices that more than compensate for the greater emphasis on bail-ins, or burden-sharing. In the sub-manager's opinion, the greatest threat to the current portfolio positioning comes from the ongoing sovereign solvency strains in Europe. The sub-fund looks to maintain an underweight position in Spain, Portugal and Italy, and will adjust the size of the short position on the euro against a basket of currencies. This should also provide some hedge against the scenario in which the European subordinated financial position is challenged, either as a result of slower global growth or the decision to emphasize private sector burden-sharing. Elsewhere, the global bond sub-fund remains comfortable holding slightly more duration than the benchmark in the US and Europe and will continue to target an underweight duration position in Japan. Given the recent sharp rise in US Treasury yields, the sub-manager finds better value in the US than in Europe, but this is a tactical position that should shift along with market pricing.

¹ Based on a composite of 60% FTSE Global Basics Composite Index and 40% Citigroup WGBI Ex-Japan Index in Singapore dollar terms.

² Please note that the securities mentioned herein are included for illustrative 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

Fund Performance

(As at 31 December 2010)

Fund / Benchmark	3 months	6 months	1 year	3 years	Since inception*
	%	%	%	%	%
(average annual compounded return)					
PRU Global Balanced Fund	4.1	11.9	4.8	-2.3	-2.6
<u>Composite Benchmark</u> 60% FTSE Global Basics Composite Index 40% Citigroup World Government Bond Index (S\$) ex Japan	2.4	9.1	0.8	-2.7	-2.8

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

The FTSE Global Basics Composite Index is a customised benchmark which is derived by combining all the sector indices of the FTSE World Index save for the media, IT, telecommunications, financials and healthcare sector indices.

Please note that with effect from 1 April 2011, the Citigroup World Government Bond Index (S\$) ex Japan which comprises 40% of the benchmark for the PRU Global Balanced Fund will be changed to the Citigroup World Government Bond Index ex Japan hedged to Singapore Dollars, pursuant to a similar change to the benchmark of one of the underlying funds of the PRU Global Balanced Fund.

There has been no dividend distribution since the inception of the Fund.

* 1 October 2007

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

PRU GLOBAL BALANCED FUND

Schedule of Investments

(As at 31 December 2010)

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets***
	<u>United Kingdom</u>		
	M&G Investment Funds (1)		
	- Global Basics Fund Net		
	Accumulation Shares in		
1,047,005	Sterling Class A	22,327,117	60.69
12,321,926	Legg Mason Global Bond Trust	13,763,592	37.42
Total Investments		36,090,709	98.11
Other net liabilities		694,600	1.89
Total Net Assets Attributable to Unitholders		36,785,309	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 2010)

Exposure to Derivatives

Nil.

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

The Fund invests SGD 22,327,117 equivalent to 60.69% and SGD 13,763,592 equivalent to 37.42% 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 22,327,117 equivalent to 60.69% 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 2010

	SGD
Subscriptions	6,381,500
Redemptions	13,470,725

Annualised Expense Ratio**

1.67% (2009: 1.74%)

*** 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

17.24% (2009: 27.04%)

Soft Dollar Commission

Nil for the Fund.

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 2010)

	Market Value GBP	% of Net Assets***
Fraser & Neave	280,081,362	4.46
Illuka Resources	218,345,441	3.46
Unilever	200,158,000	3.21
Tullow Oil	186,381,046	3.04
Lonmin	184,631,016	3.00
K&S	184,543,671	2.97
Imerys	179,248,164	2.91
Eramet	178,808,963	2.88
AMMB	176,761,904	2.84
Noble	170,016,574	2.82

Top 10 Holdings

(As at 31 December 2009)

	Market Value GBP	% of Net Assets***
Lonmin	180,161,216	4.57
Tullow Oil	177,586,500	4.51
Unilever	169,589,250	4.30
Sims	161,284,689	4.09
Eramet	156,165,915	3.96
Imerys	146,065,070	3.71
Johnson Matthey	131,962,844	3.35
Fraser and Neave	128,584,664	3.26
Colgate-Palmolive	125,332,654	3.18
Constellation Brands	121,439,289	3.08

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

Annualised Expense Ratio**

1.68%^ (2009: 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.

^ For the period 1 September 2009 to 31 August 2010. Source: Annual Investment Report and Financial Statements (audited), October 2010, of M&G Investment Funds (1)

Turnover Ratio

29.85%# (2009: 15.80%)

For the period 1 September 2009 to 31 August 2010. Source: Annual Investment Report and Financial Statements (audited), October 2010, of M&G Investment Funds (1)

LEGG MASON GLOBAL BOND TRUST

Top 10 Holdings

(As at 30 September 2010)^{^^}

	Market Value SGD	% of Net Assets ^{***}
Bundesrepublik Deutschland (BR) 3.75% 04/01/2019	52,894,792	16.46
US Treasury Bond 4.375% 15/11/2039	37,466,061	11.66
Government of France Oat 4% 25/10/2013	23,400,211	7.28
Government of Spain 3% 30/04/2010	19,429,634	6.05
UK Treasury 8% 07/06/2021	18,131,404	5.64
Government of Netherlands 4% 15/01/2037	15,519,891	4.83
Government of Norway 4.5% 22/05/2019	12,343,403	3.84
UK Treasury 4.25% 07/03/2011	9,665,950	3.01
UK Treasury 4.5% 07/03/2019	8,656,569	2.69
Barclays Bank Public Limited Company EMTN 4.25% 27/10/2011	6,436,876	2.00

Top 10 Holdings

(As at 30 September 2009)^{^^}

	Market Value SGD	% of Net Assets ^{***}
Bundesrepublik Deutschland Series 04 (BR) 3.75% 04/01/2015	54,455,134	14.90
US Treasury Note 2.625% 30/04/2016	41,723,291	11.42
Government of France Oat 4% 25/10/2013	37,361,338	10.22
Bundesrepublik Deutschland Series 07 (BR) 4% 04/01/2018	33,635,881	9.20
Bundesrepublik Deutschland Series 0303 (BR) 4.25% 04/01/2014	31,775,196	8.69
UK Treasury 4.75% 07/06/2010	21,056,998	5.76
Government of Netherlands 4% 15/01/2037	19,034,884	5.21
UK Treasury 8% 07/06/2021	19,015,694	5.20
US Treasury Note 3.875% 15/09/2010	15,065,612	4.12
FNMA Conventional Loan FRN 25/09/2038	12,655,229	3.46

^{^^} The information of the Legg Mason Global Bond Trust is disclosed based on information from the fund's latest semi-annual report as at 30 September 2010.

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

LEGG MASON GLOBAL BOND TRUST

Annualised Expense Ratio**

0.92%^ (2009: 0.95%)

*** 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.*

^ For the period 1 October 2009 to 30 September 2010. Source: Legg Mason Asset Management Singapore Pte. Limited.

Turnover Ratio

36.06%# (2009: 143.40%)

For the period 1 April 2010 to 30 September 2010. Source: Semi-Annual Report of Legg Mason Global Bond Trust for the financial period ended 30 September 2010.

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 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, listed in, or operating principally from the Asia ex-Japan region.

The 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 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 Fund and / or IOF - Asian Infrastructure Equity.

Manager’s Commentary

Fund Performance¹

The PRU Asian Infrastructure Equity Fund rose 7.5% (bid-to-bid basis) over the review period, underperforming its benchmark’s 11.8% gain.

PRU ASIAN INFRASTRUCTURE EQUITY FUND

Market background

2010 started on a volatile footing and the bumpy ride lasted through August due to various uncertainties emerging globally. September witnessed a sharp rally in Asian equities as strong economic data from the US and China boosted market confidence. News of further quantitative easing from the US Federal Reserve supported markets through the remainder of the year.

Factors affecting performance²

The Fund's performance was primarily driven by stock selection. Specifically, stock selection in energy and industrials sectors were the most significant detractors from relative performance. On the other hand, stock selection in utilities sector contributed strongly to performance although the positive contribution was offset partly by the large overweight in the sector which was the worst performing sector among the five sectors.

At the stock level, positive performance came from companies such as Siam Cement PCL, Sembcorp Industries Limited and Thai Tap Water Supply PCL. These were outweighed by a drag on performance from non-holding in Hyundai Heavy Industries Co. Ltd and names in China such as China Shenhua Energy Co. Ltd and China Resources Power Holdings Co. Ltd.

Key changes to the portfolio²

During the year the fund manager continued to look for opportunities to sell stocks to lock in strong performance while adding names that have good earnings outlook and attractively priced. In this light, the Fund sold out of Siam Cement PCL, Plus Expressways Berhad and Hong Kong & China Gas Co. Ltd. The fund manager added to some names that he believes were undervalued by the market such as Gail (India) Limited, GS Holdings Limited and COSCO Pacific Limited. In the Philippines, Metro Pacific Investments Corporation (MPI) was also added to the Fund as the fund manager continues to see water scarcity as a secular theme and likes MPI's water utilities business.

Outlook

The fund manager is of the view that markets are likely to be choppy in the coming year where earnings stability will be a premium. Given that the structural infrastructural story is still intact, the fund manager believes that the Fund is well positioned and continues to focus on domestic and emerging market themes within countries in Asian such as the Philippines, India, Indonesia and Thailand.

¹ The performance mentioned above applies to SGD Class only and not the USD and EUR Classes.

² Please note that the securities mentioned herein are included for illustrative 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

Fund Performance

(As at 31 December 2010)

Fund / Benchmark	3 months	6 months	1 year	3 years	Since inception*
	%	%	%	%	%
(average annual compounded return)					
PRU Asian Infrastructure Equity Fund SGD Class	1.5	9.7	7.5	N.A.	-0.1
MSCI AC Asia ex Japan Selected Sectors Index SGD**	4.1	14.8	11.8	N.A.	-1.0
PRU Asian Infrastructure Equity Fund USD Class	4.3	19.6	17.8	N.A.	2.4
MSCI AC Asia ex Japan Selected Sectors Index USD**	6.9	25.1	22.5	N.A.	1.6
PRU Asian Infrastructure Equity Fund EUR Class	6.1	9.3	26.0	N.A.	8.4
MSCI AC Asia ex Japan Selected Sectors Index EUR**	8.8	14.3	31.0	N.A.	7.4

Source: Prudential Asset Management (Singapore) Limited and RIMES. The return is calculated on a bid-to-bid basis with net income reinvested, if any. 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 inception of the Fund.

* 1 April 2008

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

** Please note that the benchmark for the PRU Asian Infrastructure Equity Fund was changed from the MSCI AC Asia ex Japan Index to the MSCI AC Asia ex Japan Selected Sectors Index on 1 December 2010. The change in benchmark applied retrospectively as the new benchmark better reflects the investment focus and approach of the PRU Asian Infrastructure Equity Fund since its inception.

The MSCI AC Asia ex Japan Selected Sectors Index is a customised benchmark which is derived by combining the MSCI sector indices for Energy, Industrials, Materials, Telecommunication Services & Utilities in the MSCI AC Asia ex Japan Index. The country coverage for the MSCI AC Asia ex Japan Selected Sectors Index remains the same as that for MSCI AC Asia ex Japan Index.

PRU ASIAN INFRASTRUCTURE EQUITY FUND

Schedule of Investments

(As at 31 December 2010)

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets***
	<u>Luxembourg</u>		
	International Opportunities		
	Funds: - Asian Infrastructure		
981,901	Equity Class C	14,267,952	99.94
Total Investments		14,267,952	99.94
Other Net Assets		7,852	0.06
Total Net Assets Attributable to Unitholders		14,275,804	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 2010)

Exposure to Derivatives

Nil.

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

The Fund invests SGD 14,267,952 equivalent to 99.94% 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 14,267,952 equivalent to 99.94% of its net asset value, in International Opportunities Funds - Asian Infrastructure Equity Fund 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 period ended 31 December 2010

	SGD
Subscriptions	4,566,623
Redemptions	3,743,983

Annualised Expense Ratio**

1.87% (2009: 2.00%)

*** 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

27.11% (2009: 26.07%)

Soft Dollar Commission

Nil for the Fund.

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 2010)

	Market Value USD	% of Net Assets***
China Mobile Ltd	5,328,315	5.77
Posco	4,391,110	4.75
Cnooc Ltd	4,345,995	4.70
Reliance Industries Ltd	4,145,608	4.49
China Petroleum & Chemical	3,907,048	4.23
China Shenhua Energy Co	3,694,846	4.00
Gail Ind Ltd	3,207,767	3.47
Sembcorp	3,030,265	3.28
China Steel Corp	2,541,197	2.75
Korea Electric Power Corp	2,373,636	2.57

Top 10 Holdings

(As at 31 December 2009)

	Market Value USD	% of Net Assets***
China Mobile Ltd	4,420,355	4.47
China Petroleum & Chemical	3,637,635	3.68
Reliance Industries Ltd	3,594,422	3.63
Posco	3,360,463	3.40
Korea Electric Power Corp	3,273,611	3.31
China Railway Group Ltd	3,248,187	3.28
China Shenhua Energy Co	2,908,522	2.94
Cnooc Ltd	2,882,394	2.91
Jiangsu Express Co Ltd-H	2,825,433	2.85
Sinotruk Hong Kong Ltd	2,680,373	2.71

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

Annualised Expense Ratio**

1.11% (2009: 1.12%)

** 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

22.43% (2009: 27.43%)

PRUDENTIAL UNIT TRUSTS – GLOBAL LEADERS FUND ("PRU GLOBAL LEADERS FUND")

Included under the CPF Investment Scheme – Ordinary Account

Structure

PRU Global Leaders Fund (the "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 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 Fund into the M&G Global Leaders Fund which shares the same investment objective.

Manager's Commentary

Fund performance

For the twelve months ended December 31 2010, the Fund rose 2.2% (bid-to-bid basis), underperforming its benchmark which rose 2.9%.

Market background

Initial optimism at the start of 2010 over the global economy dissipated as investors became increasingly concerned over the government debt crisis in the eurozone's periphery and a possible double-dip recession in the US. Conditions improved in the second half on news of strong economic data from US and China, and further quantitative easing from the US Federal Reserve.

Factors affecting performance¹

Falling stock correlations over the year provided a benign environment for the Fund's stock picking approach. Good stock selection was the primary contributor to the Fund's performance, especially within US companies and oil & gas producers, where holdings in Mariner Energy, Inc. and Forest Oil Corporation added value on strong production and firmer oil prices. Elsewhere shares in Timken rose due to a rebound in the automobile industry, one of the specialty steel product maker's main markets.

PRU GLOBAL LEADERS FUND

Conversely, stock selection within personal goods disappointed with a stake in The Jones Group Inc. detracting on the back of lower-than-expected results. Also within retailers, H&R Block, Inc. came under pressure following negative corporate developments. Both positions were closed over the review period.

With the more distressed eurozone markets underperforming, the Fund's zero weighting to Italian and Spanish companies contributed positively to relative performance.

Key changes to portfolio¹

Portfolio turnover was high during the review period.

The Fund's underweight position in the financials sector was reduced by initiating holdings in Krung Thai Bank PCL, Citigroup Inc and UBS AG, as well as life insurer Principal Financial Group, Inc. The fund manager expects Citigroup to experience higher returns due to the ongoing reorganisation, while Principal Financial should benefit from its market leading position in bundled retirement plans. Meanwhile, Krung Thai Bank's new chief executive is reinvigorating the business to improve the focus on its retail banking operations and customers.

Other new entrants included Hong Kong-listed China Communications Services Corp Ltd, Japan's Nomura Research Institute and US chipmaker Atmel Corporation, which had the effect of further increasing the Fund's overweight exposure to technology stocks. Mobile network infrastructure firm China Communications is likely to benefit from increased capital allocation towards its higher returning business areas, while Nomura Research should be helped by expansion into a new customer base beyond financial services.

On the other hand, the Fund's overweight in retailers was decreased by closing positions in above mentioned H&R Block, The Home Depot, Inc and Carrefour SA. Home Depot left the portfolio on valuation grounds, whereas the fund manager closed the position in Carrefour because of the significant headwinds faced by the company in its domestic market and its Brazilian operations.

Outlook

As confidence continues to return to stock markets, the fund manager believes that the economic recovery is finally beginning to take on a self re-enforcing footing. While he is conscious that risks remain, including a negative economic shock that could see a repeat of the risk aversion, he considers this unlikely. As a result, microeconomic considerations should become more significant and thereby support the current downward trend in stock correlations. Ultimately, the fund manager believes that successful stock picking will be the key driver of returns and he remains committed to his disciplined investment process focused on return on capital.

¹ Please note that the securities mentioned herein are included for illustrative 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

Fund Performance

(As at 31 December 2010)

Fund / Benchmark	3 months	6 months	1 year	3 years	Since inception*
	%	%	%	%	%
			(average annual compounded return)		
PRU Global Leaders Fund	6.1	16.6	2.2	N.A.	-5.6
FTSE World Index	6.1	14.5	2.9	N.A.	-1.7

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, if any.

There has been no dividend distribution since the inception of the Fund.

* 22 July 2008

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

Schedule of Investments

(As at 31 December 2010)

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets***
	<u>United Kingdom</u>		
	M&G Investment Funds (1)		
	- Global Leaders Fund Euro		
	Class A shares		
190,333		4,085,251	99.62
Total Investments		4,085,251	99.62
Other Net Assets		15,407	0.38
Total Net Assets Attributable to Unitholders		4,100,658	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 2010)

Exposure to Derivatives

Nil.

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

The Fund invests SGD 4,085,251 equivalent to 99.62% 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 4,085,251 equivalent to 99.62% of its net asset value attributable to unitholders, 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 period ended 31 December 2010

	SGD
Subscriptions	968,180
Redemptions	955,455

Annualised Expense Ratio**

1.95% (2009: 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

23.12% (2009: 29.08%)

Soft Dollar Commission

Nil for the Fund.

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

Nil.

M&G GLOBAL LEADERS FUND

Top 10 Holdings

(As at 31 December 2010)

	Market Value GBP	% of Net Assets***
Microsoft	30,777,662	2.68
Samsung Electronics	28,871,153	2.67
Ebay	27,866,443	2.46
Citigroup	27,253,969	2.41
Pfizer	27,057,471	2.39
Anadarko Petroleum	26,269,953	2.31
Hutchison Whampoa	25,398,099	2.28
Kon DSM	25,234,064	2.22
Qualcomm	24,146,916	2.21
Astellas Pharmaceuticals	23,930,779	2.06

Top 10 Holdings

(As at 31 December 2009)

	Market Value GBP	% of Net Assets***
Microsoft	27,898,505	2.84
Pfizer	23,531,228	2.39
HSBC Holdings	23,174,542	2.36
JP Morgan Chase	22,806,818	2.32
Merck	22,789,217	2.32
Wells Fargo	21,766,669	2.21
Vodafone Group	21,637,814	2.20
Samsung Electronic Pref	20,916,746	2.13
Astellas Pharmaceuticals	20,717,926	2.11
Kon DSM	20,101,575	2.04

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

Annualised Expense Ratio**

1.93%^ (2009: 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.

^ For the period 1 September 2009 to 31 August 2010. Source: Annual Investment Report and Financial Statements (audited), October 2010, of M&G Investment Funds (1)

M&G GLOBAL LEADERS FUND

Turnover Ratio

47.76%# (2009: 58.70%)

For the period 1 September 2009 to 31 August 2010. Source: Annual Investment Report and Financial Statements (audited), October 2010, of M&G Investment Funds (1)

PRUDENTIAL UNIT TRUSTS – GLOBAL POSITIONING STRATEGY FUND (“PRU GLOBAL POSITIONING STRATEGY FUND”)

Structure

The PRU Global Positioning Strategy Fund (the “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.

Investors should note that the net asset value of this Fund is likely to have a high volatility due to the investment policies or portfolio management techniques of the IOF – Global Market Navigator.

Investment Objective

The investment objective of the 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 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 Commentary

Fund performance

The PRU Global Positioning Strategy Fund fell 2.0% (bid-to-bid basis) over the review period.

Market background

Better-than-originally expected global economic growth, a low inflation environment, and effects of developed government quantitative easing policies, drove almost all asset classes (including equity, government bond and credit) to end 2010 higher. There was, however, considerable market volatility over the year.

In equity markets, Southeast Asia and Latin America outperformed whilst European countries, dealing with sovereign debt issues were the worst performers. Credit markets also did well in 2010, with lower-quality, higher-yielding credits outperforming better quality ones. In currency markets, the euro was weak whilst commodity-linked currencies and Asian currencies firmed.

PRU GLOBAL POSITIONING STRATEGY FUND

Factors affecting performance

The Fund's equity holdings in Korea, the UK, Germany and the US contributed significantly to absolute returns. In addition, exposure to select emerging market local currency bonds, in particular Mexico, Philippines and Indonesia allowed the Fund to enjoy some good gains. The Russian US dollar denominated government bonds also contributed positively as did the Fund's other core holdings in credit, the US investment grade and US high yield credit ETFs.

On a negative note, the Fund's sold its Greek government bond position at a modest loss in early 2010. The Fund's exposure in Euro Stoxx 50 Index futures also detracted as it lagged the broad global equity markets amid concerns over the peripheral Europe sovereign debt crisis. However, the strategy to hedge the underlying euro exposure (arising from the equity position) helped mitigate this. The strategy to avoid exposure to the Yen detracted from relative returns as the Yen proved to be one of the strong currencies in 2010.

Key changes to the portfolio

Expecting the ongoing bounce in short-term growth coupled with a low interest rate environment to be supportive of equities into 2010, the fund manager increased exposure to equities to as much as 70%, allocating the increase to the more attractively valued markets such as the US, the UK, Europe and Korea. As markets rallied in the second half of the year the Fund's total equity exposure was pared back down to end the year at 64%.

In terms of specific equity markets, the Fund exited its Turkish equity position in February as its valuation was no longer extremely cheap following the strong performance. The Fund added select commodity-linked equity markets including Australia and Russia in October. These positions were meant to serve as a portfolio "hedge" in the event that global growth turned out to be much stronger than expected. Commodity-linked markets generally benefit in such an environment.

The Fund subsequently exited its Korean and Russian equity positions in December as the strong performance reduced the attractiveness of these markets.

Within bonds, the Fund took profits on its Indonesian local government bond holding and also cut its exposure to Greek government bonds just prior to the S&P downgrade in April. In August through October, the Fund progressively switched its holdings in US investment grade credit to US high yield credit. The latter's improving fundamental outlook and reduced default risk, together with yields and credit spreads at still attractive levels, prompted this trade. The swift rally in emerging market bonds propelled the fund manager to lock in profits on the Fund's Mexican local currency and Russian US dollar government bond positions in November. The proceeds were invested into US long-dated Treasuries following the 100bps increase in US long bond yields which translated into a 17% price correction over a short period of time.

PRU GLOBAL POSITIONING STRATEGY FUND

Outlook

Despite the volatile economic data releases, a broad but weak recovery in global growth seems to be underway. Production has recovered strongly and is now more in line with end demand/ consumption, suggesting that output will continue to rise at a modest pace in 2011 in line with sluggish end demand. However, the structural debt problem in developed countries is likely to remain a drag on global growth for some years, suggesting global growth will stay sub-trend for some time. In addition, this means inflation risk in developed countries is low as there is still consideration slack in these economies, as evident by the low capacity utilisation rate and stubbornly high unemployment rate.

Given this base case assumption of tepid economic growth, low inflation and low interest rate global environment, the fund manager maintains his constructive outlook for developed market equities; the fund manager believes that valuations remain attractive and corporate profits can do reasonably well in this type of environment as the recovery in earnings appears to be self-sustaining. In contrast, the Fund is underweight emerging market equities where valuations are relatively more expensive and profit expectations are elevated.

The fund manager continues to hold the view that developed government bonds are unattractive as real yields are well below average levels and will probably rise over the medium-term. The fund manager maintains a positive view on US high-yield credit markets, select emerging market bonds and Asian currencies.

PRU GLOBAL POSITIONING STRATEGY FUND

Fund Performance

(As at 31 December 2010)

Fund / Benchmark	3 months	6 months	1 year	3 years	Since inception*
	%	%	%	%	%
PRU Global Positioning Strategy Fund	0.9	3.6	-2.0	N.A.	-1.5
N.A. *	N.A.	N.A.	N.A.	N.A.	N.A.

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

* There is currently no suitable benchmark for the Fund. Prior to 24 June 2010, the benchmark for the Fund was (USD 3-month LIBOR + 3%) per annum. The high market volatility experienced in recent years showed that financial market returns are not normally distributed as assumed in almost all financial models, which has underestimated risk. Given that the Fund is largely invested in risky assets, the Manager is of the view that a cash-plus benchmark no longer reflects the Fund's investment objective, focus and approach over a short period of time.

There has been no dividend distribution since the inception of the Fund.

* 30 September 2008

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

Schedule of Investments

(As at 31 December 2010)

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets***
	<u>Luxembourg</u>		
	International Opportunities Funds - Global Market Navigator Class C		
177,595		2,421,367	99.57
Total Investments		2,421,367	99.57
Other Net Assets		10,554	0.43
Total Net Assets Attributable to Unitholders		2,431,921	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 2010)

Exposure to Derivatives

Nil.

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

The Fund invests SGD 2,421,367 equivalent to 99.57% of its net asset value attributable to unitholders, in International Opportunities Funds - Global Market Navigator.

Borrowings

Nil

Related Party Transactions

The Fund invests SGD 2,421,367 equivalent to 99.57% 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 2010

	SGD
Subscriptions	1,317,932
Redemptions	1,626,837

Annualised Expense Ratio**

2.62% (2009: 2.40%)

*** 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

36.03% (2009: 36.61%)

Soft Dollar Commission

Nil for the Fund.

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 2010)

	Market Value USD	% of Net Assets***
Ishares Iboxx \$ Investment Grade Corporate Bond Fund	2,190,402	10.37
Ishares FTSE 100	2,184,834	10.35
I-Shares Barclays 20+ Year Credit Bond Fund	1,942,074	9.20
Philippine 8.5% 03/03/2011	1,309,018	6.20
Mexco ST 8.5% 31/05/2029	1,136,559	5.38
Russian 12.75% 24/06/2028	868,750	4.11
I-share IBX Citigroup	423,150	2.00
S&P500 Emini	52,313	0.25
Tokyo Price Index	14,846	0.07
SPI 200	(3,970)	-0.02

As at 31 December 2010, the IOF-Global Market Navigator has the following open futures contracts:

Number of contracts	Contract/Description	Expiration Date	Notional Amount USD	Unrealised Gain/(Loss) USD
75	S&P500 Emini	March 2011	4,690,313	52,313
9	Tokyo Price Index	March 2011	992,676	14,846
4	SPI 200	March 2011	481,501	(3,970)
40	EURO Stoxx 50	March 2011	1,497,102	(30,006)
16	DAX Index Future	March 2011	3,711,676	(54,319)
			11,373,268	(21,137)

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

INTERNATIONAL OPPORTUNITIES FUNDS – GLOBAL MARKET NAVIGATOR

Top 10 Holdings

(As at 31 December 2009)

	Market Value USD	% of Net Assets***
Ishares Iboxx \$ Investment Grade Corporate Bond Fund	4,266,870	18.75
I-Shares Barclays 1-3 Year Credit Bond Fund	2,232,130	9.81
Korea Treasury Bond 5.5% 10/06/2011	1,757,685	7.72
Philippine Government 8.5% 3/3/2011	1,350,069	5.93
Mexico Government Bond 8.5% 31/05/2029	1,290,627	5.67
Ishares FTSE 100	1,180,031	5.18
Indonesia Gov Bond 10% 15/09/24	1,114,015	4.89
Brazil Nota Do Tesouro Nacional 10% 01/01/2017	1,040,683	4.57
Russia Eurobond 12.75% 24/06/2028	1,017,000	4.47
Hellenic Republic Government 6% 19/7/2019	726,354	3.19

As at 31 December 2009, the IOF-Global Market Navigator has the following open futures contracts:

Number of contracts	Contract/Description	Expiration Date	Notional Amount USD	Unrealised Gain/(Loss) USD
160	ISE 30	February 2010	728,468	24,982
9	US Long Bond (CBT)	March 2010	1,035,000	(53,578)
			1,763,468	(28,596)

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

Annualised Expense Ratio**

1.11% (2009: 1.34%)

** 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

91.23% (2009: 102.25%)

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 75 to 116, 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
21 March 2011

STATEMENT BY THE MANAGER

In the opinion of the directors of Prudential Asset Management (Singapore) Limited, the accompanying financial statements set out on pages 75 to 116, 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 2010 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

.....
Julian Christopher Vivian Pull
Director

Singapore
21 March 2011

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF PRUDENTIAL UNIT TRUSTS

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

We have audited the accompanying financial statements of Prudential Unit Trusts (the "Trust"), which comprise the Statement of Total Return for the year ended 31 December 2010, Balance Sheet and Portfolio Statement as at 31 December 2010, and a summary of significant accounting policies and other explanatory information, as set out on pages 75 to 116.

Manager's responsibility for the financial statements

The Manager of the Trust 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*, and for such internal control as the Manager of the Trust determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 judgment, 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 Trust'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 Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager of the Trust, 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.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF PRUDENTIAL UNIT TRUSTS
(Constituted under a Trust Deed in the Republic of Singapore)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the total return for the year ended 31 December 2010 and the financial position of the Trust as at 31 December 2010 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
21 March 2011

FINANCIAL STATEMENTS

For the year ended 31 December 2010 (audited)

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PRUDENTIAL UNIT TRUSTS
Statement of Total Return

Year ended 31 December 2010

Note	PRU Global Technology Fund		PRU Pan European Fund	
	Year ended 31/12/2010	Year ended 31/12/2009	Year ended 31/12/2010	Year ended 31/12/2009
	S\$	S\$	S\$	S\$
Income				
Interest	-	-	-	-
Less: Expenses				
Management fees	410,096	353,453	234,415	252,123
Registration fees	14,091	13,204	15,388	16,293
Trustee fees	32,787	28,150	18,741	20,068
Custody fees	-	-	-	-
Audit fees	8,650	9,451	6,750	7,424
Others	31,451	65,224	25,315	41,598
	497,075	469,482	300,609	337,506
Net losses	(497,075)	(469,482)	(300,609)	(337,506)
Net gains/(losses) on value of investments				
Net realised gains/(losses) on investments sold	1,115,936	(389,210)	(2,010,840)	(1,881,030)
Net change in fair value on investments	1,865,715	32,035,381	(976,530)	15,847,089
Net realised gains on financial derivatives	-	-	-	-
Net change in fair value on financial derivatives	-	-	-	-
Net foreign exchange gains/(losses)	-	-	-	-
Net gains/(losses) on value of investments	2,981,651	31,646,171	(2,987,370)	13,966,059
Total return/(deficit) for the year before income tax	2,484,576	31,176,689	(3,287,979)	13,628,553
Less: Income tax	3	-	-	-
Total return/(deficit) for the year after income tax before distribution	2,484,576	31,176,689	(3,287,979)	13,628,553
Less: Distribution	-	-	-	-
Total return/(deficit) for the year	2,484,576	31,176,689	(3,287,979)	13,628,553

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

PRUDENTIAL UNIT TRUSTS
Statement of Total Return

Year ended 31 December 2010

Note	PRU Protected Global Titans Fund (S\$)		PRU Asian Balanced Fund	
	Year ended 31/12/2010 S\$	Year ended 31/12/2009 S\$	Year ended 31/12/2010 S\$	Year ended 31/12/2009 S\$
Income				
Interest	4,233	3,812	-	-
	4,233	3,812	-	-
Less: Expenses				
Management fees	94,170	116,347	3,993,659	3,453,350
Registration fees	11,479	17,167	19,853	21,326
Trustee fees	8,371	10,403	319,493	277,861
Custody fees	1,142	1,301	-	228
Audit fees	5,350	6,263	11,051	11,862
Others	16,428	26,109	243,004	391,124
	136,940	177,590	4,587,060	4,155,751
Net losses	(132,707)	(173,778)	(4,587,060)	(4,155,751)
Net gains/(losses) on value of investments				
Net realised gains/(losses) on investments sold	(381,623)	646,673	19,681,319	(7,188,237)
Net change in fair value on investments	(267,702)	372,641	18,656,180	239,238,040
Net realised gains on financial derivatives	137,636	110,386	-	-
Net change in fair value on financial derivatives	22,350	21,258	-	-
Net foreign exchange gains/(losses)	(14,448)	(122,065)	(58,205)	4,348
Net gains/(losses) on value of investments	(503,787)	1,028,893	38,279,294	232,054,151
Total return/(deficit) for the year before income tax	(636,494)	855,115	33,692,234	227,898,400
Less: Income tax	3	-	-	-
Total return/(deficit) for the year after income tax before distribution	(636,494)	855,115	33,692,234	227,898,400
Less: Distribution	-	-	-	-
Total return/(deficit) for the year	(636,494)	855,115	33,692,234	227,898,400

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

PRUDENTIAL UNIT TRUSTS
Statement of Total Return

Year ended 31 December 2010

Note	PRU Dragon Peacock Fund		PRU Global Basics Fund	
	Year ended 31/12/2010 S\$	Year ended 31/12/2009 S\$	Year ended 31/12/2010 S\$	Year ended 31/12/2009 S\$
Income				
Interest	-	-	34	30
Dividend	14,811,020	10,879,552	-	-
Others	410	-	941	-
	<u>14,811,430</u>	<u>10,879,552</u>	<u>975</u>	<u>30</u>
Less: Expenses				
Management fees	19,751,904	14,781,981	-	-
Registration fees	26,692	24,620	23,616	27,111
Trustee fees	526,718	396,525	166,942	151,303
Custody fees	133,658	74,352	-	-
Audit fees	12,050	12,941	10,343	10,030
Others	388,800	1,010,851	147,936	139,907
	<u>20,839,822</u>	<u>16,301,270</u>	<u>348,837</u>	<u>328,351</u>
Net losses	<u>(6,028,392)</u>	<u>(5,421,718)</u>	<u>(347,862)</u>	<u>(328,321)</u>
Net gains/(losses) on value of investments				
Net realised gains/(losses) on investments sold	49,032,947	3,691,859	(4,455,480)	(7,264,015)
Net change in fair value on investments	31,061,410	551,165,408	54,484,186	153,997,213
Net foreign exchange losses	(746,618)	(340,827)	(176,693)	(78,339)
Net gains on value of investments	<u>79,347,739</u>	<u>554,516,440</u>	<u>49,852,013</u>	<u>146,654,859</u>
Total return for the year before income tax	73,319,347	549,094,722	49,504,151	146,326,538
Less: Income tax	3 (1,154,927)	(878,448)	-	-
Total return for the year after income tax before distribution	<u>72,164,420</u>	<u>548,216,274</u>	<u>49,504,151</u>	<u>146,326,538</u>
Less: Distribution	-	-	-	-
Total return for the year	<u>72,164,420</u>	<u>548,216,274</u>	<u>49,504,151</u>	<u>146,326,538</u>

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

PRUDENTIAL UNIT TRUSTS
Statement of Total Return

Year ended 31 December 2010

Note	PRU Global Balanced Fund		PRU Asian Infrastructure Equity Fund	
	Year ended 31/12/2010 S\$	Year ended 31/12/2009 S\$	Year ended 31/12/2010 S\$	Year ended 31/12/2009 S\$
Income				
Interest	1	21	-	1
	1	21	-	1
Less: Expenses				
Management fees	57,641	60,519	61,570	46,367
Registration fees	15,286	17,651	7,000	7,184
Trustee fees	15,415	15,768	4,926	3,684
Audit fees	8,850	7,685	7,850	7,890
Others	20,581	31,329	11,865	3,395
	117,773	132,952	93,211	68,520
Net losses	(117,772)	(132,931)	(93,211)	(68,519)
Net gains or losses on value of investments				
Net realised gains/(losses) on investments sold	(812,270)	(3,899,398)	506,549	88,770
Net change in fair value on investments	2,494,753	13,188,851	550,983	2,512,908
Net foreign exchange losses	(3,432)	(18,802)	(43,699)	(39,526)
Net gains on value of investments	1,679,051	9,270,651	1,013,833	2,562,152
Total return for the year before income tax	1,561,279	9,137,720	920,622	2,493,633
Less: Income tax	3	-	-	-
Total return for the year after income tax before distribution	1,561,279	9,137,720	920,622	2,493,633
Less: Distribution	-	-	-	-
Total return for the year	1,561,279	9,137,720	920,622	2,493,633

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

PRUDENTIAL UNIT TRUSTS
Statement of Total Return

Year ended 31 December 2010

Note	PRU Global Leaders Fund		PRU Global Positioning Strategy Fund	
	Year ended 31/12/2010	Year ended 31/12/2009	Year ended 31/12/2010	Year ended 31/12/2009
	S\$	S\$	S\$	S\$
Income				
Interest	-	-	-	-
Others	-	-	-	103
	-	-	-	103
Less: Expenses				
Management fees	-	-	15,012	14,929
Registration fees	5,999	5,104	6,714	5,214
Trustee fees	1,610	1,366	1,201	1,181
Audit fees	7,050	7,633	6,050	6,174
Others	7,882	7,467	16,489	4,269
Reimbursement from the Manager	(21,567)	(21,439)	-	-
	974	131	45,466	31,767
Net losses	(974)	(131)	(45,466)	(31,664)
Net gains or losses on value of investments				
Net realised gains/(losses) on investments sold	(68,748)	(139,318)	23,972	33,419
Net change in fair value on investments	162,347	1,203,803	(64,212)	274,829
Net foreign exchange losses	(5,130)	(5,425)	(9,483)	(6,541)
Net gains/(losses) on value of investments	88,469	1,059,060	(49,723)	301,707
Total return/(deficit) for the year before income tax	87,495	1,058,929	(95,189)	270,043
Less: Income tax	3	-	-	-
Total return/(deficit) for the year after income tax before distribution	87,495	1,058,929	(95,189)	270,043
Less: Distribution	-	-	-	-
Total return/(deficit) for the year	87,495	1,058,929	(95,189)	270,043

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

PRUDENTIAL UNIT TRUSTS

Balance Sheet
As at 31 December 2010

	Note	PRU Global Technology Fund		PRU Pan European Fund	
		2010	2009	2010	2009
		S\$	S\$	S\$	S\$
Assets					
Portfolio of investments		83,385,016	84,331,365	44,938,679	53,535,048
Receivables	4	97,554	448,066	171,915	590,048
Cash and bank balances		112,822	154,534	46,010	93,253
Total assets		83,595,392	84,933,965	45,156,604	54,218,349
Liabilities					
Payables	6	171,547	519,883	180,667	299,419
Net assets attributable to unitholders	7	83,423,845	84,414,082	44,975,937	53,918,930
Total liabilities		83,595,392	84,933,965	45,156,604	54,218,349

	Note	PRU Protected Global Titans Fund (S\$)		PRU Asian Balanced Fund	
		2010	2009	2010	2009
		S\$	S\$	S\$	S\$
Assets					
Portfolio of investments		16,331,515	23,695,693	822,852,648	791,267,169
Receivables	4	470	405,836	4,479,548	2,071,037
Financial derivatives, at fair value	5	22,350	26,635	-	-
Cash and bank balances		302,728	664,350	6,030,396	2,256,332
Total assets		16,657,063	24,792,514	833,362,592	795,594,538
Liabilities					
Payables	6	39,017	136,780	9,180,529	1,945,286
Financial derivatives, at fair value	5	-	5,377	-	-
Net assets attributable to unitholders	7	16,618,046	24,650,357	824,182,063	793,649,252
Total liabilities		16,657,063	24,792,514	833,362,592	795,594,538

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

PRUDENTIAL UNIT TRUSTS

Balance Sheet
As at 31 December 2010

	Note	PRU Dragon Peacock Fund		PRU Global Basics Fund	
		2010 S\$	2009 S\$	2010 S\$	2009 S\$
Assets					
Portfolio of investments		1,329,104,412	1,308,415,290	432,769,489	440,515,247
Receivables	4	1,946,250	25,661,634	898,524	1,630,902
Cash and bank balances		7,050,030	7,077,551	336,403	541,993
Total assets		1,338,100,692	1,341,154,475	434,004,416	442,688,142
Liabilities					
Payables	6	2,350,025	23,585,840	994,750	1,333,251
Net assets attributable to unitholders	7	1,335,750,667	1,317,568,635	433,009,666	441,354,891
Total liabilities		1,338,100,692	1,341,154,475	434,004,416	442,688,142

	Note	PRU Global Balanced Fund		PRU Asian Infrastructure Equity Fund	
		2010 S\$	2009 S\$	2010 S\$	2009 S\$
Assets					
Portfolio of investments		36,090,709	42,007,991	14,267,952	12,520,872
Receivables	4	699,847	374,179	338,787	19,977
Cash and bank balances		212,336	312,946	42,687	55,780
Total assets		37,002,892	42,695,116	14,649,426	12,596,629
Liabilities					
Payables	6	217,583	381,861	373,622	64,087
Net assets attributable to unitholders	7	36,785,309	42,313,255	14,275,804	12,532,542
Total liabilities		37,002,892	42,695,116	14,649,426	12,596,629

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

PRUDENTIAL UNIT TRUSTS

Balance Sheet
As at 31 December 2010

	Note	PRU Global Leaders Fund		PRU Global Positioning Strategy Fund	
		2010 S\$	2009 S\$	2010 S\$	2009 S\$
Assets					
Portfolio of investments		4,085,251	3,982,353	2,421,367	2,826,085
Receivables	4	112,171	74,042	60,063	26,872
Cash and bank balances		-	19,759	70,348	26,732
Total assets		4,197,422	4,076,154	2,551,778	2,879,689
Liabilities					
Bank overdraft		2,033	-	-	-
Payables	6	94,731	75,716	119,857	43,674
Net assets attributable to unitholders	7	4,100,658	4,000,438	2,431,921	2,836,015
Total liabilities		4,197,422	4,076,154	2,551,778	2,879,689

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

PRUDENTIAL UNIT TRUSTS

Portfolio Statement
As at 31 December 2010

PRU Global Technology Fund

	Holdings 31/12/2010 (units)	Fair value 31/12/2010 (S\$)	Percentage of total net assets attributable to unitholders	
			31/12/2010	31/12/2009
			(%)	(%)
<u>Underlying Fund</u>				
International Opportunities Funds:				
- Global Technology Class C	14,231,954	83,385,016	99.95	99.90
Portfolio of investments		83,385,016	99.95	99.90
Other net assets		38,829	0.05	0.10
Net assets attributable to unitholders		83,423,845	100.00	100.00

PRU Pan European Fund

	Holdings 31/12/2010 (units)	Fair value 31/12/2010 (S\$)	Percentage of total net assets attributable to unitholders	
			31/12/2010	31/12/2009
			(%)	(%)
<u>Underlying Fund</u>				
International Opportunities Funds:				
- Pan European Class C	4,190,087	44,938,679	99.92	99.29
Portfolio of investments		44,938,679	99.92	99.29
Other net assets		37,258	0.08	0.71
Net assets attributable to unitholders		44,975,937	100.00	100.00

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

PRUDENTIAL UNIT TRUSTS

Portfolio Statement
As at 31 December 2010

PRU Asian Balanced Fund

	Holdings 31/12/2010 (units)	Fair value 31/12/2010 (S\$)	Percentage of total net assets attributable to unitholders	
			31/12/2010	31/12/2009
			(%)	(%)
<u>Underlying Fund</u>				
International Opportunities Funds:				
- Asian Equity Class C	9,137,314	446,091,123	54.12	49.85
- US High Investment Grade Bond Class B	12,148,359	227,354,829	27.59	29.32
- US Investment Grade Bond Class B	6,787,029	149,406,696	18.13	20.53
Portfolio of investments		822,852,648	99.84	99.70
Other net assets		1,329,415	0.16	0.30
Net assets attributable to unitholders		824,182,063	100.00	100.00

PRU Global Basics Fund

	Holdings 31/12/2010 (units)	Fair value 31/12/2010 (S\$)	Percentage of total net assets attributable to unitholders	
			31/12/2010	31/12/2009
			(%)	(%)
<u>Underlying Fund</u>				
M & G Investment Funds (1)				
- Global Basics Fund Net Accumulation Shares in Sterling Class A	20,294,238	432,769,489	99.94	99.81
Portfolio of investments		432,769,489	99.94	99.81
Other net assets		240,177	0.06	0.19
Net assets attributable to unitholders		433,009,666	100.00	100.00

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

PRUDENTIAL UNIT TRUSTS

Portfolio Statement
As at 31 December 2010

PRU Global Balanced Fund

	Holdings 31/12/2010 (units)	Fair value 31/12/2010 (S\$)	Percentage of total net assets attributable to unitholders	
			31/12/2010 (%)	31/12/2009 (%)
Underlying Fund				
M & G Investment Funds (1)				
- Global Basics Fund Net Accumulation Shares in Sterling Class A	1,047,005	22,327,117	60.69	60.50
Legg Mason Global Bond Trust	12,321,926	13,763,592	37.42	38.78
Portfolio of investments		36,090,709	98.11	99.28
Other net assets		694,600	1.89	0.72
Net assets attributable to unitholders		36,785,309	100.00	100.00

PRU Asian Infrastructure Equity Fund

	Holdings 31/12/2010 (units)	Fair value 31/12/2010 (S\$)	Percentage of total net assets attributable to unitholders	
			31/12/2010 (%)	31/12/2009 (%)
Underlying Fund				
International Opportunities Funds:				
- Asian Infrastructure Equity Class C	981,901	14,267,952	99.94	99.91
Portfolio of investments		14,267,952	99.94	99.91
Other net assets		7,852	0.06	0.09
Net assets attributable to unitholders		14,275,804	100.00	100.00

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

PRUDENTIAL UNIT TRUSTS

Portfolio Statement
As at 31 December 2010

PRU Global Leaders Fund

	Holdings 31/12/2010 (units)	Fair value 31/12/2010 (S\$)	Percentage of total net assets attributable to unitholders	
			31/12/2010 (%)	31/12/2009 (%)
<u>Underlying Fund</u>				
M & G Investment Funds (1)				
- Global Leaders Fund Euro Class A shares	190,333	4,085,251	99.62	99.55
Portfolio of investments		4,085,251	99.62	99.55
Other net assets		15,407	0.38	0.45
Net assets attributable to unitholders		4,100,658	100.00	100.00

PRU Global Positioning Strategy Fund

	Holdings 31/12/2010 (units)	Fair value 31/12/2010 (S\$)	Percentage of total net assets attributable to unitholders	
			31/12/2010 (%)	31/12/2009 (%)
<u>Underlying Fund</u>				
International Opportunities Funds:				
- Global Market Navigator Class C	177,595	2,421,367	99.57	99.65
Portfolio of investments		2,421,367	99.57	99.65
Other net assets		10,554	0.43	0.35
Net assets attributable to unitholders		2,431,921	100.00	100.00

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

PRU Protected
Global Titans Fund (S\$)

	Holdings 31/12/2010 (units)	Fair value 31/12/2010 (S\$)	Percentage of total net assets attributable to unitholders 31/12/2010 (%)
By Geography* - Primary			
Quoted bonds			
Singapore			
Ascendas Real Estate Investment MTN 4.75% 29/04/2011	1,000,000	1,017,790	6.12
Ascott Capital Pte Limited Series MTN 4.7% 07/07/2011	500,000	518,450	3.12
Capitacommercial Trust MTN 3.15% 24/01/2011	500,000	507,323	3.05
Capitaland Commercial Limited MTN 4.4% 03/03/2011	500,000	509,361	3.06
City Developments Limited Series MTN 3.38% 25/04/2012	1,000,000	1,029,518	6.20
Frasers Centrepoint Limited MTN 4.045% 14/03/2011	500,000	508,356	3.06
Joynote Limited 3.76% 26/10/2011	250,000	254,378	1.53
Keppel Land Limited Series MTN 3.76% 14/03/2011	500,000	508,039	3.06
Kim Eng Holdings Limited MTN 2.4% 05/07/2012	500,000	507,875	3.06
Midpoint Properties Series MTN 3.75% 04/07/2011	750,000	767,775	4.62
Sunshine Assets Limited MTN 2.78% 11/02/2011	1,250,000	1,264,014	7.61
		<hr/> 7,392,879	<hr/> 44.49

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

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

PRUDENTIAL UNIT TRUSTS

Portfolio Statement
As at 31 December 2010

**PRU Protected
Global Titans Fund (S\$)**

	Holdings 31/12/2010 (units)	Fair value 31/12/2010 (S\$)	Percentage of total net assets attributable to unitholders 31/12/2010 (%)
By Geography* - Primary (continued)			
South Korea			
Export-Import Bank of Korea EMTN 2.8% 04/05/2012	1,000,000	1,018,049	6.13
Shinsegae Company Limited 6.125% 27/06/2011	500,000	676,468	4.07
		<u>1,694,517</u>	<u>10.20</u>
United States of America			
Bank of America Corporation 4% 09/03/2011	500,000	508,642	3.06
General Elec Cap 3.485% 08/03/2012	1,300,000	1,334,580	8.03
		<u>1,843,222</u>	<u>11.09</u>
Time deposits			
Singapore			
BNP Paribas		1,600,248	9.63
Overseas-Chinese Banking Corporation Limited		1,600,000	9.63
Standard Chartered Bank		600,114	3.61
The Hongkong and Shanghai Banking Corporation Limited		1,600,535	9.63
		<u>5,400,897</u>	<u>32.50</u>
Portfolio of investments		16,331,515	98.28
Other net assets		286,531	1.72
Net assets attributable to unitholders		<u>16,618,046</u>	<u>100.00</u>

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

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

PRUDENTIAL UNIT TRUSTS

Portfolio Statement
As at 31 December 2010

	PRU Protected Global Titans Fund (S\$)	
	Percentage of total net assets attributable to unitholders	
	31/12/2010	31/12/2009
	(%)	(%)
By Geography* (summary) - Primary		
Australia	-	6.42
New Zealand	-	4.13
Singapore	76.99	56.56
South Korea	10.20	23.49
United Kingdom	-	2.05
United States of America	11.09	3.48
Portfolio of investments	98.28	96.13
Other net assets	1.72	3.87
Net assets attributable to unitholders	100.00	100.00

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

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

PRUDENTIAL UNIT TRUSTS

Portfolio Statement
As at 31 December 2010

**PRU Protected
Global Titans Fund (S\$)**

	Fair value 31/12/2010 (S\$)	Percentage of total net assets attributable to unitholders	
		31/12/2010 (%)	31/12/2009 (%)
By Industry - Secondary			
Banks	6,927,588	41.69	37.71
Diversified financial services	1,940,482	11.68	17.36
Electronic	1,334,580	8.03	1.04
Finance	507,875	3.06	7.85
Miscellaneous	508,039	3.06	-
Real estate	3,587,838	21.59	21.83
Real estate investment trusts	1,525,113	9.17	10.34
Portfolio of investments	16,331,515	98.28	96.13
Other net assets	286,531	1.72	3.87
Net assets attributable to unitholders	16,618,046	100.00	100.00

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

PRU Dragon Peacock Fund

	Holdings 31/12/2010 (units)	Fair value 31/12/2010 (\$)	Percentage of total net assets attributable to unitholders 31/12/2010 (%)
By Geography* - Primary			
Quoted shares			
Cayman Islands			
Xingda International Holdings Limited	13,891,000	19,183,091	1.44
		19,183,091	1.44
China			
Bank of China Limited	156,918,300	105,505,433	7.90
BYD Company Limited	2,499,900	16,828,901	1.26
China Petroleum & Chemical Corporation	24,439,000	29,843,015	2.23
China Shenhua Energy Company Limited	4,861,500	26,077,283	1.95
Focus Media Holding Limited	1,376,000	38,656,555	2.89
Fosun International Limited	14,122,000	13,334,965	1.00
Industrial and Commercial Bank of China Company Limited	55,188,820	52,476,878	3.93
Sinotrans Shipping Limited	14,886,500	7,187,888	0.54
Sohu.com Inc	420,800	34,165,993	2.56
Travelsky Technology Limited	12,627,000	16,875,712	1.26
		340,952,623	25.52

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

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

PRUDENTIAL UNIT TRUSTS

Portfolio Statement
As at 31 December 2010

PRU Dragon Peacock Fund

	Holdings	Fair value	Percentage of
	31/12/2010	31/12/2010	total net assets
	(units)	(S\$)	attributable to
			unitholders
			31/12/2010
			(%)
By Geography* - Primary (continued)			
Quoted shares			
Hong Kong			
China Mobile Limited	2,037,500	25,870,887	1.94
China Pacific Insurance (Group) Company Limited	5,992,000	31,795,726	2.38
China Resources Cement Holding Limited	21,212,000	20,624,085	1.54
China Resources Power Holding Company Limited	5,826,000	13,537,257	1.01
China Unicom (Hong Kong) Limited	19,793,990	36,272,643	2.72
China Zhongwang Holdings Limited	33,837,600	24,145,073	1.81
CNOOC Limited	15,212,000	46,025,664	3.45
Evergrande Real Estate Group	61,530,000	38,531,115	2.88
Franshion Properties China Limited	40,412,000	15,516,985	1.16
Huabao International Holdings Limited	12,951,000	26,806,123	2.01
Ping An Insurance (Group) Company of China Limited	1,480,500	21,128,437	1.58
Sino-Ocean Land Holdings Limited	12,109,000	10,057,265	0.75
		310,311,260	23.23

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

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

PRU Dragon Peacock Fund

	Holdings	Fair value	Percentage of
	31/12/2010	31/12/2010	total net assets
	(units)	(\$)	attributable to
			unitholders
			31/12/2010
			(%)
By Geography* - Primary (continued)			
Quoted shares			
India (Note 1)			
Axis Bank Limited	322,095	12,438,573	0.93
Bharat Heavy Electricals Limited	216,747	14,485,520	1.08
Colgate Palmolive (India) Limited	897,317	22,347,471	1.67
Dr Reddy's Laboratories Limited	826,301	39,439,017	2.95
Gail India Limited	1,455,568	21,350,855	1.60
Hindalco Industries Limited	5,335,342	37,632,504	2.82
ICICI Bank Limited	1,553,639	50,710,864	3.80
Infosys Technologies Limited	775,901	76,423,159	5.72
Infrastructure Development Finance Company Limited	5,147,246	26,986,019	2.02
ITC Limited	3,290,980	16,438,417	1.23
LIC Housing Finance	3,813,440	21,353,319	1.60
Mahindra & Mahindra Limited	1,216,895	27,118,257	2.03
Mahindra & Mahindra Financial Services Limited	1,235,170	26,150,740	1.96
Mphasis Limited	1,294,755	24,945,527	1.87
Mundra Port & Special Economic Zone Limited	1,366,380	5,621,326	0.42
Oil India Limited	378,769	15,271,226	1.14
Oil and Natural Gas Corporation Limited	419,632	15,520,569	1.16
OnMobile Global Limited	1,013,514	8,363,931	0.63
Reliance Industries Limited	2,268,890	68,720,039	5.15
Rural Electrification Corporation Limited	3,526,255	30,115,390	2.26
Sterlite Industries (India) Limited	1,413,711	7,553,570	0.57
Sun TV Limited	1,521,939	22,899,962	1.71
Tata Motors Limited	612,378	22,863,539	1.71
Tata Motors Limited Class A	1,658,805	37,320,180	2.79
		652,069,974	48.82
Other net assets of Dragon Peacock Investments Ltd		6,587,464	0.49
Net assets of Dragon Peacock Investments Ltd		658,657,438	49.31

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

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		
	Holdings	Fair value	Percentage of
	31/12/2010	31/12/2010	total net assets
	(units)	(S\$)	attributable to
			unitholders
			31/12/2010
			(%)
By Geography* - Primary (continued)			
Portfolio of investments		1,329,104,412	99.50
Other net assets		6,646,255	0.50
Net assets attributable to unitholders		1,335,750,667	100.00

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

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

PRUDENTIAL UNIT TRUSTS**Portfolio Statement**
As at 31 December 2010

	PRU Dragon Peacock Fund	
	Percentage	
	of total net assets attributable	
	to unitholders	
	31/12/2010	31/12/2009
	(%)	(%)
By Geography* (summary) - Primary		
Cayman Islands	1.44	2.16
China	25.52	28.25
Hong Kong	23.23	18.06
India	49.31	50.83
Portfolio of investments	99.50	99.30
Other net assets	0.50	0.70
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.

PRU Dragon Peacock Fund

	Fair value 31/12/2010 (S\$)	Percentage of total net assets attributable to unitholders	
		31/12/2010 (%)	31/12/2009 (%)
By Industry - Secondary			
Advertising	38,656,555	2.89	2.54
Agriculture	-	-	2.03
Automotive	60,183,719	4.50	1.12
Auto & trucks	27,118,257	2.03	1.96
Banks	221,131,748	16.56	19.15
Building & construction	-	-	1.99
Cement	20,624,085	1.54	0.88
Chemical	-	-	5.22
Consumer	49,153,594	3.68	3.77
Diversified resources	7,553,570	0.57	4.63
Electronics	58,138,167	4.35	3.50
Finance	74,490,078	5.58	2.96
Gas	21,350,855	1.60	2.51
Insurance	52,924,163	3.96	4.44
Internet software	152,410,391	11.41	9.37
Manufacturing	30,163,866	2.26	5.73
Media	22,899,962	1.71	1.51
Medical-drugs	39,439,017	2.95	1.43
Metal products	61,777,577	4.63	4.78
Mining	26,077,283	1.95	1.90
Miscellaneous	19,183,091	1.44	-
Oil & gas	106,660,474	7.98	1.30
Petrol	68,720,039	5.15	6.14
Property	15,516,985	1.16	-
Real estate	48,588,380	3.64	2.89
Services	5,621,326	0.42	-
Telecom services	70,507,461	5.28	6.24
Tobacco	16,438,417	1.23	-
Transport	7,187,888	0.54	0.74
	1,322,516,948	99.01	98.73
Net assets of Dragon Peacock Investments Ltd	6,587,464	0.49	0.57
Portfolio of investments	1,329,104,412	99.50	99.30
Other net assets	6,646,255	0.50	0.70
Net assets attributable to unitholders	1,335,750,667	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 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 2010, 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.

PRU Protected Global Titans Fund (S\$) ceased offering its units with effect from 13 August 2010.

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. Interest income from debt securities received during the year is recognised in net realised gains on investments sold and accrued interest income from debt securities is recognised in net change in fair value on investments.

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.

2. Summary of significant accounting policies (continued)**2.4 Investments (continued)**

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 accounted based on the accounting policies of the PRU Dragon Peacock Fund. The investments, net assets and returns are included in the PRU Dragon Peacock Fund. This has the same effect as consolidating DPI (M) into the PRU Dragon Peacock Fund.

2.5 Foreign currencies

Transactions in foreign currencies are translated at the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at exchange rates at the reporting date. All exchange differences are recognised in the statement of total return. For investments at fair value, the unrealised exchange differences are recognised in the net change in fair value on investments in the statement of total return.

2.6 Units

All units issued by the 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	
	2010	2009
	S\$	S\$
Overseas tax suffered	1,154,927	878,448

4. Receivables

	PRU Global Technology Fund		PRU Pan European Fund	
	2010	2009	2010	2009
	S\$	S\$	S\$	S\$
Amount receivable from the creation of units	79,568	250,729	68,259	454,718
Sales awaiting settlement	-	180,000	94,000	124,000
Miscellaneous receivables	17,968	17,337	9,656	11,330
	<u>97,554</u>	<u>448,066</u>	<u>171,915</u>	<u>590,048</u>

	PRU Protected Global Titans Fund (S\$)		PRU Asian Balanced Fund	
	2010	2009	2010	2009
	S\$	S\$	S\$	S\$
Amount receivable from the creation of units	-	405,819	1,063,603	2,071,037
Interest receivables	470	17	-	-
Sales awaiting settlement	-	-	3,415,945	-
	<u>470</u>	<u>405,836</u>	<u>4,479,548</u>	<u>2,071,037</u>

4. Receivables (continued)

	PRU Dragon Peacock Fund		PRU Global Basics Fund	
	2010	2009	2010	2009
	S\$	S\$	S\$	S\$
Amount receivable from the creation of units	1,946,250	7,837,185	328,112	1,511,954
Sales awaiting settlement	-	17,824,449	570,290	113,318
Miscellaneous receivables	-	-	122	5,630
	1,946,250	25,661,634	898,524	1,630,902

	PRU Global Balanced Fund		PRU Asian Infrastructure Equity Fund	
	2010	2009	2010	2009
	S\$	S\$	S\$	S\$
Amount receivable from the creation of units	161,135	331,643	333,787	19,977
Sales awaiting settlement	501,419	-	4,957	-
Miscellaneous receivables	37,293	42,536	43	-
	699,847	374,179	338,787	19,977

	PRU Global Leaders Fund		PRU Global Positioning Strategy Fund	
	2010	2009	2010	2009
	S\$	S\$	S\$	S\$
Amount receivable from the creation of units	59,214	30,557	35,063	6,385
Sales awaiting settlement	50,465	40,927	24,827	20,078
Miscellaneous receivables	2,492	2,558	173	409
	112,171	74,042	60,063	26,872

5. Fair value of financial derivatives

	PRU Protected Global Titans Fund (S\$)					
	Contract or		Positive		Negative	
	underlying principal		fair value		fair value	
	2010	2009	2010	2009	2010	2009
S\$	S\$	S\$	S\$	S\$	S\$	
Forward foreign exchange contracts	700,989	1,820,192	22,350	26,635	-	5,377

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/negative fair value represents the unrealised gains/(losses) on revaluation of financial derivative contracts at the balance sheet date.

6. Payables

	PRU Global Technology Fund		PRU Pan European Fund	
	2010	2009	2010	2009
	S\$	S\$	S\$	S\$
Payable to unitholders for cancellation of units	65,275	217,638	141,911	148,819
Accrued expenses	75,272	72,245	38,756	43,600
Purchases awaiting settlement	31,000	230,000	-	107,000
	171,547	519,883	180,667	299,419

	PRU Protected Global Titans Fund (S\$)		PRU Asian Balanced Fund	
	2010	2009	2010	2009
	S\$	S\$	S\$	S\$
Payable to unitholders for cancellation of units	23,862	116,951	367,155	1,552,608
Accrued expenses	15,155	19,829	436,543	392,678
Purchases awaiting settlement	-	-	8,376,831	-
	39,017	136,780	9,180,529	1,945,286

6. Payables (continued)

	PRU Dragon Peacock Fund		PRU Global Basics Fund	
	2010	2009	2010	2009
	S\$	S\$	S\$	S\$
Payable to unitholders for cancellation of units	376,440	2,249,510	865,025	651,310
Accrued expenses	1,973,585	2,006,518	71,681	69,992
Purchases awaiting settlement	-	19,329,812	53,694	610,631
Other payables	-	-	4,350	1,318
	2,350,025	23,585,840	994,750	1,333,251
	PRU Global Balanced Fund		PRU Asian Infrastructure Equity Fund	
	2010	2009	2010	2009
	S\$	S\$	S\$	S\$
Payable to unitholders for cancellation of units	166,555	321,509	25,700	555
Accrued expenses	46,234	60,352	14,922	14,532
Purchases awaiting settlement	-	-	329,664	48,768
Other payables	4,794	-	3,336	232
	217,583	381,861	373,622	64,087
	PRU Global Leaders Fund		PRU Global Positioning Strategy Fund	
	2010	2009	2010	2009
	S\$	S\$	S\$	S\$
Payable to unitholders for cancellation of units	25,472	40,975	82,300	19,407
Accrued expenses	2,793	741	8,557	8,189
Purchases awaiting settlement	65,891	33,870	28,844	15,911
Other payables	575	130	156	167
	94,731	75,716	119,857	43,674

7. Net assets attributable to unitholders

	PRU Global Technology Fund		PRU Pan European Fund	
	2010	2009	2010	2009
	S\$	S\$	S\$	S\$
At the beginning of the year	84,414,082	55,113,069	53,918,930	43,127,930
Operations				
Change in net assets attributable to unitholders resulting from operations	2,484,576	31,176,689	(3,287,979)	13,628,553
Unitholders' contributions/ (withdrawals)				
Creation of units	10,780,141	4,960,795	3,766,096	3,652,787
Cancellation of units	(14,254,954)	(6,836,471)	(9,421,110)	(6,490,340)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(3,474,813)	(1,875,676)	(5,655,014)	(2,837,553)
Total increase/(decrease) in net assets attributable to unitholders	(990,237)	29,301,013	(8,942,993)	10,791,000
At the end of the year	83,423,845	84,414,082	44,975,937	53,918,930
Units in issue (number)	162,732,632	169,843,447	48,479,679	54,524,468
Net assets attributable to unitholders per unit (S\$)	0.51	0.50	0.93	0.99

7. Net assets attributable to unitholders (continued)

	PRU Protected Global Titans Fund (S\$)		PRU Asian Balanced Fund	
	2010	2009	2010	2009
	S\$	S\$	S\$	S\$
At the beginning of the year	24,650,357	25,870,887	793,649,252	540,888,238
Operations				
Change in net assets attributable to unitholders resulting from operations	(636,494)	855,115	33,692,234	227,898,400
Unitholders' contributions/ (withdrawals)				
Creation of units	3,842,559	12,209,744	50,516,116	106,236,684
Cancellation of units	(11,238,376)	(14,285,389)	(53,675,539)	(81,374,070)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(7,395,817)	(2,075,645)	(3,159,423)	24,862,614
Total increase/(decrease) in net assets attributable to unitholders	(8,032,311)	(1,220,530)	30,532,811	252,761,014
At the end of the year	16,618,046	24,650,357	824,182,063	793,649,252
Units in issue (number)	14,417,802	20,790,786	477,435,822	479,327,445
Net assets attributable to unitholders per unit (S\$)	1.15	1.19	1.73	1.66

7. Net assets attributable to unitholders (continued)

	PRU Dragon Peacock Fund		PRU Global Basics Fund	
	2010 S\$	2009 S\$	2010 S\$	2009 S\$
At the beginning of the year	1,317,568,635	615,376,286	441,354,891	308,789,429
Operations				
Change in net assets attributable to unitholders resulting from operations	72,164,420	548,216,274	49,504,151	146,326,538
Unitholders' contributions/ (withdrawals)				
Creation of units	123,975,467	301,344,218	20,144,516	33,512,920
Cancellation of units	(177,957,855)	(147,368,143)	(77,993,892)	(47,273,996)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(53,982,388)	153,976,075	(57,849,376)	(13,761,076)
Total increase/(decrease) In net assets attributable to unitholders	18,182,032	702,192,349	(8,345,225)	132,565,462
At the end of the year	1,335,750,667	1,317,568,635	433,009,666	441,354,891
Units in issue (number)	505,534,297	527,032,881	346,684,503	398,649,994
Net assets attributable to unitholders per unit (S\$)	2.64	2.50	1.25	1.11

7. Net assets attributable to unitholders (continued)

	PRU Global Balanced Fund		PRU Asian Infrastructure Equity Fund	
	2010	2009	2010	2009
	S\$	S\$	S\$	S\$
At the beginning of the year	42,313,255	37,640,378	12,532,542	5,078,663
Operations				
Change in net assets attributable to unitholders resulting from operations	1,561,279	9,137,720	920,622	2,493,633
Unitholders' contributions/ (withdrawals)				
Creation of units	6,381,500	15,801,676	4,566,623	7,796,381
Cancellation of units	(13,470,725)	(20,266,519)	(3,743,983)	(2,836,135)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(7,089,225)	(4,464,843)	822,640	4,960,246
Total increase/(decrease) in net assets attributable to unitholders	(5,527,946)	4,672,877	1,743,262	7,453,879
At the end of the year	36,785,309	42,313,255	14,275,804	12,532,542
Units in issue (number)	40,277,475	48,527,269	14,386,991	13,576,510
Net assets attributable to unitholders per unit (S\$)	0.91	0.87	0.99	0.92

7. Net assets attributable to unitholders (continued)

	PRU Global Leaders Fund		PRU Global Positioning Strategy Fund	
	2010	2009	2010	2009
	S\$	S\$	S\$	S\$
At the beginning of the year	4,000,438	2,579,438	2,836,015	2,373,230
Operations				
Change in net assets attributable to unitholders resulting from operations	87,495	1,058,929	(95,189)	270,043
Unitholders' contributions/ (withdrawals)				
Creation of units	968,180	1,342,044	1,317,932	1,375,378
Cancellation of units	(955,455)	(979,973)	(1,626,837)	(1,182,636)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	12,725	362,071	(308,905)	192,742
Total increase/(decrease) in net assets attributable to unitholders	100,220	1,421,000	(404,094)	462,785
At the end of year	4,100,658	4,000,438	2,431,921	2,836,015
Units in issue (number)	4,732,563	4,719,950	2,532,313	2,893,194
Net assets attributable to unitholders per unit (S\$)	0.87	0.85	0.96	0.98

8. Units in issue

	PRU Global Technology Fund		PRU Pan European Fund	
	2010	2009	2010	2009
Units at the beginning of the year	169,843,447	174,004,328	54,524,468	57,721,204
Units created	22,489,502	12,322,937	4,236,315	4,150,585
Units cancelled	(29,600,317)	(16,483,818)	(10,281,104)	(7,347,321)
Units at end of the year	<u>162,732,632</u>	<u>169,843,447</u>	<u>48,479,679</u>	<u>54,524,468</u>

	PRU Protected Global Titans Fund (S\$)		PRU Asian Balanced Fund	
	2010	2009	2010	2009
Units at the beginning of the year	20,790,786	22,572,920	479,327,445	461,786,639
Units created	3,275,830	10,491,569	30,256,158	73,326,932
Units cancelled	(9,648,814)	(12,273,703)	(32,147,781)	(55,786,126)
Units at end of the year	<u>14,417,802</u>	<u>20,790,786</u>	<u>477,435,822</u>	<u>479,327,445</u>

	PRU Dragon Peacock Fund		PRU Global Basics Fund	
	2010	2009	2010	2009
Units at the beginning of the year	527,032,881	448,656,118	398,649,994	412,560,968
Units created	49,183,363	153,588,229	18,416,142	37,308,258
Units cancelled	(70,681,947)	(75,211,466)	(70,381,633)	(51,219,232)
Units at end of the year	<u>505,534,297</u>	<u>527,032,881</u>	<u>346,684,503</u>	<u>398,649,994</u>

8. Units in issue (continued)

	PRU Global Balanced Fund		PRU Asian Infrastructure Equity Fund	
	2010	2009	2010	2009
Units at the beginning of the year	48,527,269	54,705,740	13,576,510	7,408,981
Units created	7,401,088	20,759,917	4,781,609	9,647,991
Units cancelled	(15,650,882)	(26,938,388)	(3,971,128)	(3,480,462)
Units at end of the year	40,277,475	48,527,269	14,386,991	13,576,510

	PRU Global Leaders Fund		PRU Global Positioning Strategy Fund	
	2010	2009	2010	2009
Units at the beginning of the year	4,719,950	4,173,204	2,893,194	2,665,572
Units created	1,183,878	1,801,419	1,335,535	1,451,160
Units cancelled	(1,171,265)	(1,254,673)	(1,696,416)	(1,223,538)
Units at end of the year	4,732,563	4,719,950	2,532,313	2,893,194

9. US dollar class and Euro class

PRU 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\$ against these currencies.

9. US dollar class and Euro class (continued)

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

Net asset value of US\$ units

	2010	2009
Number of US\$ units in issue	4,868,343	5,748,283

	S\$ 2010	US\$ equivalent 2010	2009
Net asset value of US\$ units in issue	6,080,571	4,746,552	4,532,968

Net asset value per US\$ unit at 31 December	0.97	0.79
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Net asset value of EUR units

	2010	2009
Number of EUR units in issue	622,341	910,727

	S\$ 2010	EUR equivalent 2010	2009
Net asset value of EUR units in issue	777,305	452,292	500,560

Net asset value per EUR unit at 31 December	0.73	0.55
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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\$ against these currencies.

9. US dollar class and Euro class (continued)

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

Net asset value of US\$ units

	2010	2009
Number of US\$ units in issue	254,641	703,220

	S\$ 2010	US\$ equivalent 2010	2009
Net asset value of US\$ units in issue	252,673	197,239	462,371

Net asset value per US\$ unit at 31 December	0.77	0.66
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Net asset value of EUR units

	2010	2009
Number of EUR units in issue	-	21,335

	S\$ 2010	EUR equivalent 2010	2009
Net asset value of EUR units in issue	-	-	9,777

Net asset value per EUR unit at 31 December	-	0.46
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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 0.75% (2009: 0.25% to 0.75%) 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 risk management

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. Some of the risks relevant to the Trust's financial instruments are detailed below.

Credit risk

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

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 risk management (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. In the case of PRU Protected Global Titans Fund, the Manager entered into forward foreign exchange contracts to partially hedge its USD investments.

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

	2010	2009
	%	%
PRU Global Technology Fund		
Expense ratio (Note 1)	1.71	1.82
Turnover ratio (Note 2)	9.34	5.62
PRU Pan European Fund		
Expense ratio (Note 1)	1.73	1.77
Turnover ratio (Note 2)	4.24	3.96
PRU Protected Global Titans Fund (S\$)		
Expense ratio (Note 1)	0.66	0.70
Turnover ratio (Note 2)	25.53	82.37
PRU Asian Balanced Fund		
Expense ratio (Note 1)	1.42	1.44
Turnover ratio (Note 2)	15.36	32.54
PRU Dragon Peacock Fund		
Expense ratio (Note 1)	1.62	1.71
Turnover ratio (Note 2)	16.78	27.07

12. Financial ratios (continued)

	2010 %	2009 %
PRU Global Basics Fund		
Expense ratio (Note 1)	1.76	1.77
Turnover ratio (Note 2)	<u>0.82</u>	<u>3.07</u>
PRU Global Balance Fund		
Expense ratio (Note 1)	1.67	1.74
Turnover ratio (Note 2)	<u>17.24</u>	<u>27.04</u>
PRU Asian Infrastructure Equity Fund		
Expense ratio (Note 1)	1.87	2.00
Turnover ratio (Note 2)	<u>27.11</u>	<u>26.07</u>
PRU Global Leaders Fund		
Expense ratio (Note 1)	1.95	1.95
Turnover ratio (Note 2)	<u>23.12</u>	<u>29.08</u>
PRU Global Positioning Strategy Fund		
Expense ratio (Note 1)	2.62	2.40
Turnover ratio (Note 2)	<u>36.03</u>	<u>36.61</u>

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.

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 Prudential Asset Management (Singapore) Limited (“PAMS”) (Company Reg No. 19907631H) 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.

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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.

