

# 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

## SEMI ANNUAL REPORTS

For the half year ended 30 June 2009

## UNAUDITED FINANCIAL STATEMENTS

For the half year ended 30 June 2009

## PRUDENTIAL UNIT TRUSTS

### **Manager**

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

### **Directors of the Manager**

Guy Robert Strapp  
Julian Christopher Vivian Pull  
Nils Arne Lindman (*Appointed on 6 April 2009*)  
Philip Seah Cheng Chua (*resigned on 12 Feb 2009*)  
Suraj Mishra (*resigned on 30 June 2009*)

### **Trustee**

HSBC Institutional Trust Services  
(Singapore) Limited  
21 Collyer Quay #14-01  
HSBC Building  
Singapore 049320  
(Company Registration No. 194900022R)

### **Auditors**

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

### **Solicitors to the Manager**

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

### **Solicitors to the Trustee**

Shook Lin & Bok LLP  
1 Robinson Road #18-00  
AIA Tower  
Singapore 048542

# TABLE OF CONTENTS

	Page
<b>SEMI-ANNUAL REPORTS</b>	
For the half year ended 30 June 2009	
<b>PRU Global Technology Fund</b>	
Manager's Commentary	4 - 5
Financial Highlights	6 - 7
Financial Highlights of Underlying Fund	8 - 10
<b>PRU Pan European Fund</b>	
Manager's / Sub-Manager's Commentary	11 - 12
Financial Highlights	13 - 14
Financial Highlights of Underlying Fund	15 - 17
<b>PRU Protected Global Titans Fund (S\$)</b>	
Manager's Commentary	18
Financial Highlights	19 - 23
<b>PRU Asian Balanced Fund</b>	
Manager's / Sub-Manager's Commentary	24 - 26
Financial Highlights	27 - 30
Financial Highlights of Underlying Funds	31 - 41
<b>PRU Dragon Peacock Fund</b>	
Manager's / Sub-Manager's Commentary	42 - 43
Financial Highlights	44 - 48
<b>PRU Global Basics Fund</b>	
Manager's / Sub-Manager's Commentary	49 - 52
Financial Highlights	53 - 54
Financial Highlights of Underlying Fund	55 - 57

**PRU Global Balanced Fund**

Manager's / Sub-Manager's Commentary	58 - 59
Financial Highlights	60 - 61
Financial Highlights of Underlying Fund	62 - 66

**PRU Asian Infrastructure Equity Fund**

Manager's / Sub-Manager's Commentary	67 - 69
Financial Highlights	70 - 72
Financial Highlights of Underlying Fund	73 - 74

**PRU Global Leaders Fund**

Manager's / Sub-Manager's Commentary	75 - 77
Financial Highlights	78 - 79
Financial Highlights of Underlying Fund	80 - 82

**PRU Global Positioning Strategy Fund**

Manager's / Sub-Manager's Commentary	83 - 85
Financial Highlights	86 - 88
Financial Highlights of Underlying Fund	89 - 90

**Unaudited Financial Statements**

For the half year ended 30 June 2009	91 - 143
--------------------------------------	----------

## **Prudential Unit Trusts – GLOBAL TECHNOLOGY FUND (“PRU GLOBAL TECHNOLOGY FUND”)**

Included under the CPF Investment Scheme – Ordinary Account

### **Structure**

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

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

### **Investment Objective**

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

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

### **Manager’s Commentary**

#### **Fund performance**

During the first 6 months of 2009, the PRU Global Technology Fund (the “Fund”) rose by 25.9% (bid-to-bid basis), outpacing its benchmark return of 22.3%.

#### **Market background**

At the beginning of the year, the technology market along with global equity markets continued a downward spiral reaching lows at the beginning of March. However the technology sector in particular recovered during March with a series of positive data points from the supply chain. The positive news continued with resilient levels of end demand within the technology sector pushing the sector ahead of the overall market.

#### **Factors affecting performance<sup>1</sup>**

The Fund had positive relative performance against the benchmark and was boosted by strong performance within the internet and communications equipment sector. Key performers Vistaprint, Tencent and Baidu all reaped the secular trends that we identified within the internet space. Furthermore, within the communications equipment sector, Starent and CommScope, two companies exposed to the growth of mobile data, also generated positive results.

<sup>1</sup> Please note that the securities mentioned herein are included for illustration purposes only. It should not be construed as a recommendation to purchase or sell any particular securities. There is no guarantee that any securities discussed herein will remain in the portfolio of the Fund at the time you received this material or that securities sold have not been repurchased.

## PRU GLOBAL TECHNOLOGY FUND

However, the semiconductor sector slightly hindered performance as the cyclical rally was stronger than anticipated. We had a defensive stance and consequently lagged the rally. However, as the rally slowed in the second quarter with valuations looking fairly full, our defensive stance rectified performance.

### **Key changes to the portfolio<sup>1</sup>**

Given our conviction in the secular growth drivers for the internet sector we invested further into internet stocks. Notable additions to the portfolio were Ctrip, an online travel company, and Baidu and NHN Corporation, two search engines within China and South Korea respectively. We reduced our exposure within the semiconductor sector as we had concerns over the strength of the cyclical rally, skewing the Fund's exposure to secular rather than to cyclical growth opportunities. In the information technology services sector, we eliminated a position in Cap Gemini as we believe cuts in consulting will finally start to emerge.

### **Outlook**

While the technology sector has had a recent strong run, it is important to see at what level end demand will stabilize. The crucial period in September (the back-to-school season) will give us some guidance over the end demand levels for technology. In addition, we need some evidence from the western economies on the success of the stimuli programmes, because Chinese demand alone cannot sustain the market. However, we are encouraged by the resilience of earnings in the sector and continue to believe that, in relative terms at least, the potential of the technology sector is under-appreciated in any economic scenario.

## PRU GLOBAL TECHNOLOGY FUND

### Fund Performance

(As at 30 June 2009)

Sub-Fund/Benchmark	3 months (%)	6 months (%)	1 year (%)	3 years (%)	5 years (%)	Since inception+ (%)
			(average annual compounded return)			
PRU Global Technology Fund	16.7	25.9	-16.7	-9.9	-3.5	-10.1
MSCI All Countries World Information Technology Index*	14.9	22.3	-17.7	-6.9	-4.6	-7.6

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

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

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

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

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

### Schedule of Investments

(As at 30 June 2009)

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets ***
	<u>Luxembourg</u>		
	International Opportunities Funds: - Global Technology Class C	69,243,196	99.93
<b>15,353,259</b>			
<b>Total Investments</b>		<b>69,243,196</b>	<b>99.93</b>
Other Net Current Assets		46,158	0.07
<b>Total Net Assets Attributable to Unitholders</b>		<b>69,289,354</b>	<b>100.00</b>

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

## **PRU GLOBAL TECHNOLOGY FUND**

(As at 30 June 2009)

### **Exposure to Derivatives**

Nil.

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

The PRU Global Technology Fund invests SGD 69,243,196, equivalent to 99.93% of its net asset value attributable to unitholders, in International Opportunities Funds - Global Technology.

### **Borrowings**

Nil.

### **Related Party Transactions**

The Fund invests SGD 69,243,196 equivalent to 99.93% 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 period ended 30 June 2009**

	<b>SGD</b>
Subscriptions	1,982,487
Redemptions	2,017,675

### **Annualised Expense Ratio\*\***

1.89% (2008: 1.93%)

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

### **Turnover Ratio**

2.79% (2008: 4.57%)

### **Soft Dollar Commission**

Nil.

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

Nil.

## INTERNATIONAL OPPORTUNITIES FUNDS – GLOBAL TECHNOLOGY

### Top 10 Holdings

(As at 30 June 2009)

	Market Value USD	% of Net Assets***
Microsoft Corporation	3,484,678	7.05
International Business Machines Corporation	3,232,526	6.54
Apple Computer Inc	2,919,340	5.90
Google Inc	2,830,752	5.72
Oracle Corporation	2,576,728	5.21
Hewlett-Packard Development Company	2,449,264	4.95
Cisco Systems Inc	2,270,274	4.59
Qualcomm Inc	2,012,780	4.07
Intel Corporation	1,795,301	3.63
Autonomy Corporation Plc	1,498,098	3.03

### Top 10 Holdings

(As at 30 June 2008)

	Market Value USD	% of Net Assets***
Johnson & Johnson	2,002,455	3.00
Philips Electronics NV	1,735,853	2.60
Canon Inc	1,690,018	2.53
Cabot Microelectronics	1,417,920	2.13
Synopsys Inc	1,407,740	2.11
Oracle Corporation	1,362,560	2.04
Samsung Electron	1,319,876	1.98
Hitachi High-Tech Co	1,301,661	1.95
Myriad Genetics	1,294,110	1.94
Schering-Plough Corporation	1,256,960	1.88

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

### Annualised Expense Ratio\*\*

1.13% (2008: 1.10%)

\*\* 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

48.94% (2008: 16.09%)

## INTERNATIONAL OPPORTUNITIES FUNDS – GLOBAL TECHNOLOGY

### Schedule of Investments

(As at 30 June 2009)

	Market Value USD	% of Net Assets ***
<b>Country</b>		
Argentina	417,775	0.84
Bermuda	897,938	1.82
Canada	85,500	0.17
Cayman Islands	328,736	0.66
China	2,929,427	5.93
Finland	1,176,988	2.38
France	311,238	0.63
Germany	410,585	0.83
Japan	746,292	1.51
South Korea	1,708,938	3.45
Sweden	368,574	0.75
Taiwan	2,841,965	5.74
United Kingdom	1,498,098	3.03
United States of America	34,235,337	69.20

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

## INTERNATIONAL OPPORTUNITIES FUNDS – GLOBAL TECHNOLOGY

### Schedule of Investments

(As at 30 June 2009)

	Market Value USD	% of Net Assets ***
<b>Industry</b>		
Commercial Services	897,938	1.82
Computers & Software	29,803,364	60.24
Electronics & Electrical Equipment	5,010,950	10.13
Energy	708,816	1.43
Retail	746,292	1.51
Semiconductors	2,266,680	4.58
Transport & Telecommunications	8,523,351	17.23
<b>Asset Class</b>		
Equities	47,957,391	96.94
Other net current assets	1,501,387	3.06

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

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

Included under the CPF Investment Scheme – Ordinary Account

### **Structure**

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

### **Investment Objective**

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

### **Manager's Commentary**

#### **Fund performance**

The PRU Pan European Fund (the "Fund") grew 15.5% (bid-to-bid basis) over the review period, outperforming its benchmark return of 8.3%.

#### **Market background**

European stock markets fell sharply in the first three months of 2009 due to concerns that the global economy and financial system were on the verge of collapse. Sentiment improved, however, in the following quarter as investors were encouraged by signs that policymakers' efforts had probably averted a 1930s-style Great Depression. European equities embarked on a cyclical-led rally which saw commodity, financial and industrial stocks achieve compelling returns. The Euro lost some ground in the second quarter because of worries over the European economy and the possibility of deflation.

#### **Factors affecting performance<sup>1</sup>**

Anglo-Irish oil and gas exploration business Tullow Oil Plc featured prominently among the positive contributors to performance. Sentiment in the company was underpinned by its robust financial health and extensive exploration portfolio and an increase in oil prices. Online gaming group Sportingbet Plc and Irish logistics firm DCC Plc added value to the Fund as well.

<sup>1</sup> Please note that the securities mentioned herein are included for illustration purposes only. It should not be construed as a recommendation to purchase or sell any particular securities. There is no guarantee that any securities discussed herein will remain in the portfolio of the Fund at the time you received this material or that securities sold have not been repurchased.

## PRU PAN EUROPEAN FUND

One of the biggest setbacks was French media and telecommunications giant Vivendi. The share price fell on concerns that the business might overpay for mobile phone operations in emerging markets. We trimmed the Fund's stake in Vivendi although we remain hopeful that the management team will continue to focus on generating stronger returns rather than increasing the size of the business.

### **Key changes to the portfolio<sup>1</sup>**

We have been working hard to enhance the portfolio's market sensitivity and therefore balance its risk profile. For example, we reduced weighting of several 'defensive' holdings, including Reinet Investments SCA, Fielmann AG, Sanofi-Aventis SA, Fresenius Medical Care AG & Co KGaA and Ipsen Limited. We hope that this activity will ensure the portfolio is adequately placed to capture any further upside in cyclical businesses.

### **Outlook**

We believe that the economic recovery will be slow and drawn out, that the outlook for European firms remains difficult, and that growth in earnings will be a scarce commodity. Some companies have managed to protect their profits by quickly cutting costs, but this can only go so far. In a weak demand environment, there will be further pressure on pricing, margins and earnings. Since businesses will not be able to rely on buoyant economic activity as a way to provide solid growth in earnings, we intend to seek more companies in the transition stage, that is, businesses whose management teams are taking specific actions within their control to grow their profits and boost their cashflows. In these conditions, firms that successfully deliver such growth will be rewarded with higher valuations.

## PRU PAN EUROPEAN FUND

### Fund performance

(As at 30 June 2009)

Sub-Fund/Benchmark	3	6	1 year	3 years	5 years	Since
	months	months	(%)	(%)	(%)	inception*
	(%)	(%)	(average annual compounded return)			
PRU Pan European Fund	20.2	15.5	-29.6	-9.6	0.5	-1.2
FTSE World Europe (including UK) Index	20.2	8.3	-29.6	-10.3	-0.4	-0.2

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

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

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

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

### Schedule of Investments

(As at 30 June 2009)

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets ***
	<u>Luxembourg</u>		
	International Opportunities Funds: - Pan European Class C	48,813,312	99.97
4,941,119			
<b>Total Investments</b>		<b>48,813,312</b>	<b>99.97</b>
Other Net Current Assets		15,212	0.03
<b>Total Net Assets Attributable to Unitholders</b>		<b>48,828,524</b>	<b>100.00</b>

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

## **PRU PAN EUROPEAN FUND**

(As at 30 June 2009)

### **Exposure to Derivatives**

Nil.

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

The Fund invests SGD 48,813,312 equivalent to 99.97% of its net asset attributable to unitholders, in International Opportunities Funds - Pan European.

### **Borrowings**

Nil.

### **Related Party Transactions**

The Fund invests SGD 48,813,312 equivalent to 99.97% 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 period ended 30 June 2009**

	<b>SGD</b>
Subscriptions	1,577,037
Redemptions	2,444,602

### **Annualised Expense Ratio\*\***

1.78% (2008: 1.79%)

*\*\* 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**

2.50% (2008: 5.29%)

### **Soft Dollar Commission**

Nil.

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

Nil.

## INTERNATIONAL OPPORTUNITIES FUNDS – PAN EUROPEAN

### Top 10 Holdings

(As at 30 June 2009)

	Market Value USD	% of Net Assets***
Tullow Oil PLC	4,290,920	5.05
Partygaming PLC	3,966,719	4.67
DCC PLC	3,742,955	4.40
AXA SA	3,412,123	4.01
Sportingbet PLC	3,310,786	3.90
Icon PLC - Sponsored ADR	3,002,163	3.53
Grifols SA	2,907,684	3.42
Nokia OYJ	2,552,246	3.00
Elekta AB-B Shs	2,475,911	2.91
Sanofi-Aventis	2,446,885	2.88

### Top 10 Holdings

(As at 30 June 2008)

	Market Value USD	% of Net Assets***
Tullow Oil PLC	6,708,829	4.36
Vallourec	5,189,577	3.37
T&F Informa PLC	4,884,590	3.17
Fielmann AG	4,633,592	3.01
Colruyt NV	4,587,543	2.98
Symrise AG	4,507,435	2.93
Fls Industries A/S-B Shares	4,435,241	2.88
Ipsen Promesses	4,355,814	2.83
Icon PLC - Sponsored ADR	4,273,958	2.78
Vienna Insurance Grp	4,215,749	2.74

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

### Annualised Expense Ratio\*\*

1.09% (2008: 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

40.94% (2008: 27.51%)

## INTERNATIONAL OPPORTUNITIES FUNDS – PAN EUROPEAN

### Schedule of Investments

(As at 30 June 2009)

	Market Value USD	% of Net Assets***
<b>Country</b>		
Austria	1,372,932	1.62
Belgium	3,158,534	3.72
Finland	4,637,216	5.45
France	14,832,708	17.44
Germany	8,633,180	10.16
Gibraltar	3,966,719	4.67
Greece	1,723,872	2.03
Ireland	12,069,779	14.20
Jersey	1,850,726	2.18
Luxembourg	1,797,906	2.12
Netherlands	838,393	0.99
Norway	2,263,055	2.66
Spain	4,478,689	5.27
Sweden	4,233,188	4.98
Switzerland	4,558,367	5.36
United Kingdom	11,675,322	13.74

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

## INTERNATIONAL OPPORTUNITIES FUNDS – PAN EUROPEAN

### Schedule of Investments

(As at 30 June 2009)

	Market Value USD	% of Net Assets ***
<b>Industry</b>		
Aerospace & Air Transport	3,176,786	3.74
Breweries & Leisure & Hotels	3,310,786	3.90
Chemicals & Pharmaceuticals	9,585,330	11.27
Commercial Services	2,695,010	3.17
Computers & Software	1,732,029	2.04
Energy	11,842,717	13.93
Financial	6,382,409	7.52
Food & Textiles & Apparel	4,472,618	5.27
Health Care	8,934,315	10.51
Insurance	9,062,096	10.66
Manufacturing	2,439,705	2.87
Media & Publishing	1,658,811	1.95
Miscellaneous Manufacturing	1,794,239	2.11
Oil & Gas	1,711,026	2.01
Others	5,761,511	6.78
Retail	1,650,670	1.94
Telecommunications	1,571,005	1.85
Transport & Telecommunications	4,309,523	5.07
<b>Asset Class</b>		
Equities	82,090,586	96.59
Other net current assets	2,908,880	3.41

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

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

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

### **Structure**

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

### **Investment Objective**

The investment objective of the Fund is to achieve long term capital growth by gaining exposure to top global multinational companies through the Dow Jones Global Titans 50 Index<sup>SM</sup> 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 (the “Fund”) returned 1.3% (bid-to-bid basis) over the review period, outperforming its CPF Ordinary Account interest rate benchmark return of 1.2%.

#### **Market background**

Equities started the year on a pessimistic note following the global economy’s capitulation which had started towards the end of 2008. However, key markets began rebounding at the start of the second quarter of 2009 as investors responded to news of better than expected first quarter earnings from US banks and signs that the fiscal stimulus measures undertaken by various countries had begun to take effect. The positive market performance seen in the second quarter is seen as a technical adjustment rather than evidence that a solid recovery is underway. Market sentiment remains fragile as investors are not entirely convinced by the slew of mixed economic data that they have seen so far.

#### **Factors affecting performance**

The Fund had a flat performance relative to its benchmark. The Fund elected not to have an option equity exposure at the Floor Reset Date in view of the weak and uncertain market conditions. The fund manager will continue to monitor economic data closely and may elect to have an exposure to the index if economic data is clearly more convincing than what has emerged thus far.

#### **Outlook**

In view of lack of visibility on recovery front, we maintain the strategy of a selective exposure with regards to the Dow Jones Global Titans Index for the second half of 2009. Although credit conditions have eased relative to the start of the year, the portfolio remains selective of the fixed income and money market instruments that it invests as we remain wary of the impact of sluggish economic conditions on the businesses.

## PRU PROTECTED GLOBAL TITANS FUND (S\$)

### Fund Performance

(As at 30 June 2009)

Sub-Fund/Benchmark	3 months (%)	6 months (%)	1 year (%)	3 years (%)	5 years (%)	Since inception*
			(average annual compounded return)			
PRU Protected Global Titans Fund (S\$)	0.8	1.3	2.8	4.5	3.4	2.0
CPF Ordinary Account Interest Rate*	0.6	1.2	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.\* Proportion of 1 year CPF interest rate.

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

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

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

## PRU PROTECTED GLOBAL TITANS FUND (S\$)

### Exposure to Derivatives

The Fund has the following exposure to derivatives as at 30 June 2009:

	Fair Value 30 June 2009 SGD	Percentage of total net assets attributable to unitholders %
<b>Forward foreign exchange contracts</b>	59,783	0.24

**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 30 June 2009

	SGD
Subscriptions	6,970,060
Redemptions	7,787,275

### Annualised Expense Ratio\*\*

0.70% (2008: 0.81%)

*\*\* 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

42.10% (2008: 37.48%)

### Soft Dollar Commission

Nil.

### 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 30 June 2009)

	Market Value SGD	% of Net Assets***
Sunshine Assets Limited MTN 2.78% 11/02/2011	1,235,829	4.87
Development Bank of Singapore Series 7.875% 10/08/2009	1,121,143	4.41
Westfield Capital Corporation Series 4.375% 15/11/2010	1,050,215	4.14
Capitaland Commercial Limited MTN 4.4% 03/03/2011	1,024,965	4.04
Export-Import Bank of Korea EMTN 4.85% 28/04/2010	1,019,583	4.02
Mapletreelog Treasury Company MTN 3.8% 12/03/2010	1,014,052	3.99
Allgreen Properties Limited MTN 3% 12/08/2009	1,011,535	3.98
Mapletreelog Treasury Company MTN 3.81% 19/10/2009	1,011,200	3.98
Sun Hung Kai Properties MTN 3.69% 06/11/2009	1,010,031	3.98
CCT MTN Pte Limited Series MTN 3.85% 20/08/2010	1,007,168	3.97

### Top 10 holdings

(As at 30 June 2008)

	Market Value SGD	% of Net Assets***
Westpac Banking Corporation Series EMTN 3.1% 12/09/2008	1,026,803	5.69
Mapletreelog Treasury Co Series MTN 3.81% 19/10/2009	1,019,087	5.65
Sun Hung Kai Prop MTN 3.69% 06/11/2009	1,014,911	5.62
Ascott Capital Pte Limited MTN 2.725% 02/06/2009	1,001,915	5.55
Export-Import Bank of Korea EMTN 2.28% 06/05/2009	994,838	5.51
CMT MTN Pte Limited MTN 3.25% 01/04/2010	757,160	4.20
Shinhan Bank EMTN 3.78% 17/06/2010	756,750	4.19
General Elec Cap 2.725% 10/11/2008	755,037	4.19
Woori Bank EMTN 3.2% 18/06/2009	754,267	4.18
Swiber Holdings Limited Series MTN 3.14% 08/05/2009	753,297	4.17

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

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

## PRU PROTECTED GLOBAL TITANS FUND (S\$)

### Schedule of Investments

(As at 30 June 2009)

	Market Value SGD	% of Net Assets***
<b>Country</b>		
Australia	1,050,215	4.14
Great Britain	499,197	1.96
Malaysia	741,789	2.92
New Zealand	1,015,510	4.00
Singapore	18,832,575	74.16
South Korea	4,372,526	17.22
<b>Industry</b>		
Banks	9,356,480	36.84
Diversified financial services	3,245,438	12.78
Finance	1,050,215	4.14
Leisure	758,016	2.99
Real Estate	8,087,908	31.85
Real estate investment trusts	3,271,966	12.88
Transport-Rail	741,789	2.92

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

## PRU PROTECTED GLOBAL TITANS FUND (S\$)

### Schedule of Investments

(As at 30 June 2009)

	Market Value SGD	% of Net Assets***
<b>Credit Ratings (by S&amp;P/Moody's)</b>		
AA	504,365	1.99
AA-	248,104	0.98
Aa2	511,145	2.01
A	5,501,336	21.66
A-	2,535,277	9.98
A2	758,288	2.99
A3	752,514	2.96
BBB+	501,835	1.98
Baa2	1,986,660	7.82
Baa3	1,752,978	6.90
Not rated	11,459,310	45.13
<b>Asset Class</b>		
Bonds	24,411,812	96.13
Time deposits	2,100,000	8.27
Other net current liabilities	(1,117,843)	(4.40)

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

## **Prudential Unit Trusts – ASIAN BALANCED FUND ("PRU ASIAN BALANCED FUND")**

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

### **Structure**

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

### **Investment Objective**

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

### **Manager's Commentary**

#### **Fund performance**

For the six months ended 30 June 2009, the PRU Asian Balanced Fund (the "Fund") returned 25.2% (bid-to-bid basis), outperforming its composite benchmark return of 22.2%.

#### **Market background**

After one of the worst years in financial market history, equity and credit markets generally started 2009 on a weak note driven by a slew of weak economic news. Sentiment, however, took a drastic turn subsequently, with markets rallying strongly from their mid March lows, buoyed by government policy initiatives, signs of financial system and economic stabilisation, and the strong pick-up in demand for credit that followed.

Against this environment, Asian equities performed particularly well for the review period, with the MSCI AC Asia ex Japan Index gaining 36.5%<sup>1</sup> in Singapore dollar terms. Emerging markets, particularly India, Indonesia and China, where a revival of domestic demand appeared to be underway, turned in some of the strongest gains.

US credit markets also registered positive gains in the first half of 2009. Similar to the trend seen in the equity markets, riskier lower quality investment grade corporates outperformed higher quality issuers; the US high investment bond and US investment grade bond (using Merrill Lynch US Corporates, A2 Rated and above Index and Merrill Lynch US Corporates, BBB3 - A3 Rated Index as proxies) rose 4.2%<sup>1</sup> and 13.7%<sup>1</sup> respectively in Singapore dollar terms for the review period. In terms of sector performance, financials lagged industrials and utilities (although they outperformed significantly in the second quarter), and securitized product (asset backed securities and commercial mortgage-backed securities) outperformed corporate bonds.

<sup>1</sup> *Bloomberg*

## PRU ASIAN BALANCED FUND

### Factors Affecting Performance<sup>2</sup>

For the review period, the outperformance of the Asian equity and US bond sub-funds contributed significantly to the Fund's relative performance against the benchmark. But, the Fund's broad strategy of underweighting Asian equities into US bonds for most part of the review period moderated some of the outperformance, as Asian equities have outperformed US bonds by a wide margin.

Within the Asian equity sub-fund, stock selection among the financial, material and industrial sectors contributed significantly to the Fund's outperformance over the review period. In particular, Taiwan's Far Eastern Textile Limited was a key performance contributor. This stock outperformed both Taiwan and the regional equity markets as a warming of Taiwan-China relations benefited the company's property holdings, coupled with declining costs for its polyester business. Yanlord Land Group Limited, a Singapore-listed China property developer, was an off-benchmark position that rose sharply in price and aided the Fund's performance.

On a negative note, stock selection within consumer discretionary and telecommunication services, as well as allocation to telecom services, restrained the Asian equity sub-fund's performance slightly. China Unicom Limited ("Unicom"), an operator of mobile phone systems on the mainland, was a large performance detractor as the telecom industry has lagged the market rally. We expect Unicom to perform better in 2010. Korea's Hankook Tire also restrained performance.

Within the US high investment grade bond sub-fund, the off benchmark holdings in commercial mortgage-backed securities (CMBS) was the largest contributor to relative performance over the review period as CMBS credit spreads tightened significantly since the end of 2008 and liquidity in the asset class also improved materially. The sub-fund's underweight to brokerage also contributed positively to relative returns. On a negative note, the sub-fund's overweight to cash and Consumer/Commercial/Lease Financing (largely due to the overweight to the finance unit of General Electric) hurt relative performance.

Within the US investment grade bond sub-fund, underweighting the more defensive sectors, namely utilities and pharmaceutical added significantly to the Fund's relative performance. In addition, overweight Consumer/Commercial/Lease Financing (largely due to the overweight to American General Finance) and underweight Multi-Line Insurance (largely attributable to the underweight to the insurance unit of American International Group) also contributed to the Fund's relative outperformance. On a negative note, overweighting the Banking sector was a large detractor from relative performance for the review period.

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

## **PRU ASIAN BALANCED FUND**

### **Key changes to the portfolio**

The Fund moved from an overweight to neutral in Asian equities in early January and subsequently moved to a slight underweight at the end of January amid concerns over the region's vulnerability to slowing external demand. Instead, we favored US bonds as credit spreads were offering more than sufficient compensation for likely credit defaults

Following the sharp sell off through March, the Fund closed the underweight and moved to neutral in Asian equities as valuation was starting to look attractive. We, however, re-initiated an underweight position in Asian equity in mid April following the sharp market rebound. Tentative signs of some stabilization in economic data and earnings, coupled with attractive valuations have triggered a strong rally in Asian equity markets. However, with valuations approaching fair value, we believe there is a high probability of further disappointment in the growth and earnings outlook. As such, we favour US bonds given the attractive credit spreads. Nevertheless, we took opportunity of the market volatility to vary the magnitude of the underweight in Asian equities in mid April through June.

### **Outlook**

We maintain our medium-term positive view on Asian equities and believe the region's economic growth prospects are stronger than those of the world's developed economies. Following the strong performance year to date, most Asian markets' valuations have moved back to fair value. Given the scale of the economic downturn and the outlook for continued de-leveraging in the developed world, we believe market expectations for a quick normalization of growth are too optimistic. Asian equities could see some near term correction if growth and earnings disappoint going forward. As such, we prefer to be moderately underweight this asset class into US bonds. Although US investment grade bonds have delivered good returns year to date, credit spreads remain attractive relative to history. We believe that the market dynamics that have led to the rally in credit spreads over the past few months – strong demand and improving confidence in the economy and banking system – are likely to persist and continue to help spreads trend tighter.

Within the US bond sub-funds, we have been selectively reducing relative risk as valuations have increased. The sub-funds remain overweight selected CMBS and financial issuers. Despite the significant rally in the second quarter and weakening real estate conditions, spreads are still very compelling in AAA senior CMBS, especially considering that the investments are secured with structural enhancements making principal erosion unlikely. Purchases of industrials have also picked up as we have diversified out of some of the sub-funds' largest overweights and as the new issue market has been robust and has offered many attractive opportunities.

The Asian equity sub-fund is overweight telecommunications as this sector has lagged in the recent equity market rally. Selected telecom stocks are quality companies with good growth prospects and attractive valuations, in our opinion. Separately, Indonesia and India are likely to benefit from the results of recent national elections.

## PRU ASIAN BALANCED FUND

### Fund Performance

(As at 30 June 2009)

Sub-Fund/Benchmark	3 months (%)	6 months (%)	1 year (%)	3 years (%)	5 years (%)	Since inception <sup>+</sup> (%)
			(average annual compounded return)			
PRU Asian Balanced Fund	21.2	25.2	-2.5	1.0	4.3	6.9
<u>Composite Benchmark</u>						
50% MSCI Asia ex-Japan Index						
30% Merrill Lynch US Corporates A-AAA rated (adjusted for A- credits)	16.1	22.2	-0.7	2.1	4.8	7.1
20% Merrill Lynch US Corporates BBB - A rated*						

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

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

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

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

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

## PRU ASIAN BALANCED FUND

### Schedule of Investments

(As at 30 June 2009)

Number of Shares	Investment Funds	Market Value SGD	% Net Assets***
	<b><u>Luxembourg</u></b>		
8,662,864	International Opportunities Funds: - Asian Equity Class C	326,507,160	47.05
11,601,177	International Opportunities Funds: - US High Investment Grade Bond Class B	207,569,887	29.91
7,929,643	International Opportunities Funds: - US Investment Grade Bond Class B	158,852,717	22.89
<b>Total Investments</b>		<b>692,929,764</b>	<b>99.85</b>
Other Net Current Assets		961,112	0.15
<b>Total Net Assets Attributable to Unitholders</b>		<b>693,890,876</b>	<b>100.00</b>

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

## **PRU ASIAN BALANCED FUND**

(As at 30 June 2009)

### **Exposure to Derivatives**

Nil.

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

The PRU Asian Balanced Fund invests SGD 326,507,106, SGD 207,569,887 and SGD 158,852,717 equivalent to 47.05%, 29.91% and 22.89% of its net asset value attributable to unitholders, 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 326,507,106, SGD 207,569,887 and SGD 158,852,717 equivalent to 47.05%, 29.91% and 22.89% of its net asset value attributable to unitholders, 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 30 June 2009**

	<b>SGD</b>
Subscriptions	46,544,694
Redemptions	31,340,570

### **Annualised Expense Ratio\*\***

1.44% (2008: 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**

26.60% (2008: 14.28%)

## **PRU ASIAN BALANCED FUND**

### **Soft Dollar Commission**

Soft dollar arrangements have been undertaken by the Manager in respect of the sub-funds of the International Opportunities Funds (“underlying fund”) which the PRU Asian Balanced Fund feeds into. Such softing services shall include specific advice as to the advisability of dealing in, or as to the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, the conduct of research or analysis, or analysis of trade execution, and custodial service in relation to the investments managed for clients.

Soft dollar arrangements have been undertaken by the Manager in respect of the underlying fund. The soft dollar arrangements relate essentially to the use of an analytical tool provided by a broker, ITG Hong Kong Limited (“ITG HK”) for the purpose of assessing and monitoring the efficiency of trade execution. 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.

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.

## INTERNATIONAL OPPORTUNITIES FUNDS – ASIAN EQUITY

### Top 10 Holdings

(As at 30 June 2009)

	Market Value USD	% of Net Assets ***
China Mobile Limited	24,186,050	3.68
Bank of China Limited - H	23,016,441	3.50
Bangkok Bank PCL - Foreign	21,316,152	3.24
Hon Hai Precision Industry	20,741,548	3.15
Hutchinson Whampoa Limited	19,678,246	2.99
Wharf Holdings Limited	19,021,117	2.89
Henderson Land Development Company Limited	17,292,400	2.63
ICICI Bank Limited	17,033,637	2.59
Mediatek Inc	16,385,248	2.49
Samsung Electronic Co Limited	16,279,244	2.48

### Top 10 Holdings

(As at 30 June 2008)

	Market Value USD	% of Net Assets ***
Hon Hai Precision Ind	27,522,106	3.71
China Netcom Grp Corporation	24,316,847	3.28
Samsung Electron	23,073,339	3.11
China Mobile Limited	22,665,631	3.06
Bank of China Limited	20,687,208	2.79
Taiwan Cement	20,439,207	2.76
Wharf Holdings	17,640,898	2.38
Far Eastern Textile	17,170,377	2.32
Bakrie & Brothers Pt	17,053,417	2.30
Advanced Semiconductor	17,010,102	2.29

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

### Annualised Expense Ratio\*\*

1.10% (2008: 1.10%)

\*\* 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

33.74% (2008: 21.54%)

## INTERNATIONAL OPPORTUNITIES FUNDS – ASIAN EQUITY

### Schedule of Investments

(As at 30 June 2009)

	Market Value USD	% of Net Assets***
<b>Country</b>		
Australia	906,664	0.14
Cayman Islands	859,811	0.13
China	175,475,238	26.68
Hong Kong	75,425,577	11.47
India	71,492,102	10.87
Indonesia	29,283,458	4.46
Malaysia	12,502,570	1.90
Philippines	12,127,241	1.85
Singapore	19,815,649	3.01
South Korea	110,882,743	16.87
Taiwan	92,607,281	14.07
Thailand	28,344,391	4.31

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

## INTERNATIONAL OPPORTUNITIES FUNDS – ASIAN EQUITY

### Schedule of Investments

(As at 30 June 2009)

	Market Value USD	% of Net Assets ***
<b>Industry</b>		
Breweries & Leisure & Hotels	8,757,563	1.33
Building Materials	12,452,962	1.89
Chemicals & Pharmaceuticals	10,127,370	1.54
Commercial Services	9,917,457	1.51
Computers & Software	28,502,380	4.33
Diversified Operations	28,134,191	4.27
Electronics & Electrical Equipment	87,160,325	13.26
Energy	52,953,646	8.05
Engineering	14,753,848	2.24
Extractive Industries	18,335,184	2.79
Financial	137,629,918	20.93
Food & Textiles & Apparel	10,143,368	1.54
Health Care	15,836,090	2.41
Holding Companies-Diversified	19,678,246	2.99
Information Technology	5,129,105	0.78
Insurance	7,661,374	1.17
Manufacturing	17,470,050	2.66
Property	26,381,133	4.01
Real Estate	17,292,400	2.63
Retail	30,297,330	4.61
Semiconductors	9,272,822	1.41
Telecommunications	24,186,050	3.68
Transport & Telecommunications	37,649,915	5.73
<b>Asset Class</b>		
Equities	629,722,727	95.76
Other net current assets	27,801,223	4.24

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

**INTERNATIONAL OPPORTUNITIES FUNDS  
– US HIGH INVESTMENT GRADE BOND**

**Top 10 Holdings**

(As at 30 June 2009)

	<b>Market Value USD</b>	<b>% of Net Assets***</b>
Bank of New York Mellon Liquidity	4,915,375	2.58
Roche Holdings, Inc. 6% 1/3/2019	4,737,075	2.49
Verizon Wireless Capital LLC 3.75% 20/5/2011	4,083,260	2.15
Morgan Stanley 5.75% 31/8/2012	3,101,307	1.63
JPMorgan Chase & Co. 6.3% 23/4/2019	3,024,057	1.59
BP Capital Markets PLC 3.625% 8/5/2014	2,995,842	1.57
Credit Suisse (New York NY) 5.5% 1/5/2014	2,808,859	1.48
Banc of America Commercial Mortgage, Inc. FRN 10/5/2045	2,676,268	1.41
Bank of America Corp. 5.75% 1/12/2017	2,669,229	1.40
General Electric Capital Corp. 5.25% 19/10/2012	2,562,558	1.35

**Top 10 Holdings**

(As at 30 June 2008)

	<b>Market Value USD</b>	<b>% of Net Assets***</b>
JPMorgan Chase & Co. 6.625% 15/3/2012	4,781,674	2.48
Carmax MBS 5.23% 15/12/2011	3,051,182	1.58
Wachovia Corp. 5.7% 1/8/2013	2,764,335	1.43
US Treasury 3.875% 15/5/2018	2,639,441	1.37
General Electric Capital Corp. 5.5% 28/4/2011	2,578,755	1.33
Mellon Funding Corp. 5.2% 15/5/2014	2,512,339	1.30
Merrill Lynch 4.5% 4/11/2010	2,488,989	1.29
Morgan Stanley MBS 5.7% 12/7/2044	2,423,547	1.25
General Electric Capital Corp. 5.875% 14/01/2038	2,347,221	1.22
Citigroup MBS 5.322% 11/12/2049	2,303,542	1.19

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

**INTERNATIONAL OPPORTUNITIES FUNDS  
– US HIGH INVESTMENT GRADE BOND**

	<b>Market Value USD</b>	<b>% of Net Assets***</b>
<b>Credit Ratings (by S&amp;P/Moody's)</b>		
AAA	28,067,222	14.73
AA+	13,290,420	7.00
AA	11,130,812	5.85
AA-	15,698,252	8.25
A+	27,602,701	14.51
A	62,151,816	32.69
A-	4,667,915	2.46
BBB+	4,961,222	2.60
B	2,677,521	1.40
Aa2	1,986,272	1.04
A3	2,683,581	1.41
Not Rated	14,162,982	7.43

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

**Annualised Expense Ratio\*\***

0.56% (2008 : 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**

99.53% (2008 : 45.38%)

**INTERNATIONAL OPPORTUNITIES FUNDS  
– US HIGH INVESTMENT GRADE BOND**

**Schedule of Investments**

(As at 30 June 2009)

	<b>Market Value USD</b>	<b>% of Net Assets***</b>
<b>Country</b>		
Australia	1,974,187	1.03
Cayman Islands	334,913	0.18
Chile	796,045	0.42
Finland	440,328	0.23
Germany	3,319,794	1.75
Netherlands	1,997,474	1.05
Norway	642,188	0.34
Qatar	1,566,875	0.83
Switzerland	10,756,729	5.65
United Arab Emirates	722,316	0.38
United Kingdom	9,083,363	4.76
United States of America	157,446,505	82.75

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

**INTERNATIONAL OPPORTUNITIES FUNDS  
– US HIGH INVESTMENT GRADE BOND**

	<b>Market Value USD</b>	<b>% of Net Assets***</b>
<b>Industry</b>		
Aerospace & Air Transport	2,804,621	1.47
Banking	27,284,534	14.33
Commercial Services	2,065,388	1.09
Diversified Operations	427,414	0.22
Electronics & Electrical	1,754,919	0.92
Finance - Financial Services	60,993,649	32.07
Healthcare	7,727,937	4.06
Industrials	21,487,605	11.28
Insurance	4,429,627	2.33
Manufacturing	5,210,096	2.75
Metals	796,045	0.42
Mortgage Back Securities	23,211,675	12.19
Mutual Fund	4,915,375	2.58
Oil & Gas	3,962,890	2.09
Others	9,435,867	4.98
Pharmaceuticals	2,140,832	1.12
Retail	1,986,272	1.04
Telecommunications	4,679,060	2.46
Transport	2,179,836	1.14
Utility	1,569,075	0.83
<b>Asset Class</b>		
Bonds	189,080,717	99.37
Other net current assets	1,183,530	0.63

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

**INTERNATIONAL OPPORTUNITIES FUNDS  
– US INVESTMENT GRADE BOND**

**Top 10 Holdings**

(As at 30 June 2009)

	<b>Market Value USD</b>	<b>% of Net Assets***</b>
Bank of New York Mellon Liquidity	5,121,361	3.30
Citigroup Commercial Mortgage Trust 5.431% 15/10/2049	2,212,527	1.43
Banc of America Commercial Mortgage, Inc. FRN 10/5/2045	2,189,521	1.41
Chevron Phillips Chemical Co. LLC 7% 15/6/2014	1,997,338	1.29
JPMorgan Chase & Co. 6.3% 23/4/2019	1,713,632	1.10
Goldman Sachs Group, Inc. (The) 6.75% 1/10/2037	1,591,276	1.02
Citigroup, Inc. 8.5% 22/5/2019	1,585,624	1.02
CVS Pass-Through Trust 6.036% 10/12/2028	1,570,016	1.01
France Telecom SA 4.375% 8/7/2014	1,499,400	0.97
Wachovia Bank Commercial Mortgage Trust FRN 15/7/2045	1,443,046	0.93

**Top 10 Holdings**

(As at 30 June 2008)

	<b>Market Value USD</b>	<b>% of Net Assets***</b>
AT&T Broad 8.375% 15/3/2013	3,293,377	2.15
Vodafone Group PLC 7.75% 15/2/2010	2,768,977	1.81
Xerox Corp. 5.5% 15/5/2012	1,825,926	1.19
CVS Pass-Through Trust 6.036% 10/12/2028	1,747,558	1.14
Telecom Italia Capital SA 6.2% 18/7/2011	1,670,760	1.09
JP Morgan Chase & Co. 5.179342% 15/12/2044	1,440,352	0.94
JP Morgan Chase & Co. FRN 12/12/2044	1,341,143	0.88
CIT Group, Inc. 5.8% 28/7/2011	1,325,064	0.87
Union Pacific Corp. 5.45% 31/1/2013	1,311,927	0.86
Cargill, Inc. 6.375% 1/6/2012	1,293,293	0.84

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

**INTERNATIONAL OPPORTUNITIES FUNDS  
– US INVESTMENT GRADE BOND**

	<b>Market Value USD</b>	<b>% of Net Assets***</b>
<b>Credit Ratings (by S&amp;P/Moody's)</b>		
AAA	12,513,092	8.05
AA+	738,042	0.48
AA-	3,038,417	1.96
AA	357,864	0.23
A+	3,599,805	2.32
A	15,957,915	10.28
A-	13,259,203	8.54
A2	992,726	0.64
A3	5,534,233	3.57
Baa2	1,424,124	0.91
B	598,841	0.39
BB+	1,274,407	0.83
BBB+	23,180,802	14.91
BBB	39,911,662	25.74
BBB-	14,577,498	9.39
CC	339,317	0.22
C	300,132	0.19
Not rated	16,744,530	10.80

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

**Annualised Expense Ratio\*\***

0.57% (2008 : 0.58%)

\*\* 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**

129.70% (2008 : 74.87%)

**INTERNATIONAL OPPORTUNITIES FUNDS  
– US INVESTMENT GRADE BOND**

**Schedule of Investments**

(As at 30 June 2009)

	<b>Market Value USD</b>	<b>% of Net Assets***</b>
<b>Country</b>		
Australia	3,937,187	2.53
Belgium	509,873	0.33
Bermuda	548,763	0.35
Brazil	562,680	0.36
Canada	6,529,787	4.22
France	1,855,501	1.20
Germany	948,796	0.61
Italy	2,388,112	1.54
Mexico	640,069	0.41
Qatar	708,199	0.46
Spain	2,533,311	1.64
Switzerland	435,500	0.28
United Arab Emirates	1,681,353	1.09
United Kingdom	5,734,566	3.69
United States	125,328,912	80.74
<b>Industry</b>		
Aerospace & Air Transport	430,467	0.28
Banking	7,927,725	5.11
Cable TV	496,296	0.32
Computers & Office Equipment	837,872	0.54
Construction	195,665	0.13
Diversified Operations	1,143,550	0.74
Electronics & Electrical	5,262,255	3.39
Energy	1,604,315	1.03

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

**INTERNATIONAL OPPORTUNITIES FUNDS  
– US INVESTMENT GRADE BOND**

	<b>Market Value USD</b>	<b>% of Net Assets***</b>
<b>Industry (continue)</b>		
Environmental Control	897,151	0.57
Finance - Financial Services	22,731,818	14.66
Food, Beverages, Tobacco	548,763	0.35
Healthcare	1,580,393	1.03
Industrials	46,607,438	30.00
Insurance	6,214,085	4.00
Leisure Time	1,018,205	0.65
Manufacturing	272,935	0.18
Media	2,846,439	1.84
Metals	959,915	0.62
Mining	1,594,219	1.02
Mortgage Back Securities	16,070,762	10.36
Mutual Fund	5,121,361	3.30
Oil & Gas	5,114,753	3.31
Other	7,730,872	4.98
Pharmaceuticals	1,048,196	0.67
Pipelines	900,442	0.58
Real Estate	1,475,372	0.95
Retail	2,495,387	1.60
Telecommunications	6,462,916	4.18
Transport	1,097,189	0.71
Utilities	3,655,853	2.35
<b>Asset Class</b>		
Bonds	154,342,609	99.45
Other net current assets	920,320	0.55

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

## **Prudential Unit Trusts – DRAGON PEACOCK FUND (“PRU DRAGON PEACOCK FUND”)**

Included under the CPF Investment Scheme – Ordinary Account

### **Structure**

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

### **Investment Objective**

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

### **Manager’s Commentary**

#### **Fund performance**

The PRU Dragon Peacock Fund (the “Fund”) rose 50.1% (bid-to-bid basis) in the first half of the year, outperforming its benchmark which moved 49.6% higher during the period.

#### **Market background**

Global stock markets opened 2009 on a weak note but rebounded as from March on more optimistic economic news from the United States and China. The MSCI China Index ended the first half with a 37.6%<sup>1</sup> gain as positive macroeconomic data, such as a rebound in industrial production and higher retail sales, boosted the market’s confidence that China is recovering from its worst slump in almost a decade. India was the best performing market in the Asia-Pacific ex-Japan region in the first half, with the MSCI India Index surging 57.5%<sup>1</sup> on hopes that the country’s Congress Party election victory in May would bring about political stability, a revival of foreign direct investment and economic growth.

#### **Factors affecting performance<sup>2</sup>**

The Fund’s outperformance was the result of a strong stock selection in China, despite being underweight in India and incurring a negative impact from our cash exposure.

<sup>1</sup> MSCI Barra

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

## **PRU DRAGON PEACOCK FUND**

Two key Fund contributors in China were overweight holdings in the automobile and rechargeable battery maker BYD Company Ltd (“BYD”), and retailer GOME Electrical Appliances (“GOME”). BYD’s shares gained on news of a robust monthly increase in car sales and the forthcoming release of new vehicle models. A recent capital injection resolved GOME’s financial problems and investors could focus again on the company’s strong leadership in the Chinese home appliances retail market and the positive outlook for China’s domestic consumption.

An overweight in Maruti Suzuki India Ltd (formerly Maruti Udyog), was the leading contributor from India. Shares of the country’s biggest car manufacturer, with the largest portfolio of small cars, rose on the back of improving car sales, thanks to better consumer financing and rise in domestic consumption.

### **Key changes to the portfolio<sup>2</sup>**

The Fund established new major positions in DLF Limited, Dr. Reddy’s Labs, Hero Honda Motor, Jindal Steel & Power and Sterlite Industries. Existing significant positions were increased in Infosys Technologies, Infrastructure Development Finance and Reliance Industries. In China, the Fund acquired stakes in Sino Ocean Land, China Resources Land, China Zhongwang and SOHU.com. It added to its financial holdings by raising stakes in Bank of China (H share), Industrial & Commercial Bank and Ping An Insurances. Major exits included China Shipping Development and Hindustan Lever.

### **Outlook**

A revival of domestic demand is underway in Asia, especially in China and India. We believe that deregulation and infrastructure development in India will benefit given that left-of-center political parties received little support in the recent elections and will play no role in the country’s government. Moreover, domestic consumption has been resilient in the face of the global economic slump. Inflation and the current account are lesser concerns than they had been in the past. Separately, we believe that China’s underlying strength is becoming evident in the macroeconomic data. And we expect the economy to continue benefiting as the government’s economic stimulus spending on infrastructure raises real demand for products.

## PRU DRAGON PEACOCK FUND

### Fund Performance

(As at 30 June 2009)

Sub-Fund/Benchmark	3 months (%)	6 months (%)	1 year (%)	3 years (%)	5 years (%)	Since inception <sup>+</sup> (%)
			(average annual compounded return)			
PRU Dragon Peacock Fund	40.7	50.1	1.5	9.2	14.9	15.5
<u>Composite Benchmark</u>						
50% MSCI China Index	41.4	49.6	2.7	12.7	20.7	21.5
50% MSCI India Index						

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

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

<sup>+</sup> The first date of valuation of the Fund was 21 June 2004.

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

## PRU DRAGON PEACOCK FUND

(As at 30 June 2009)

### 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 period ended 30 June 2009

	SGD
Subscriptions	132,586,739
Redemptions	62,868,128

### Annualised Expense Ratio\*\*

1.77% (2008: 1.72%)

*\*\* 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

19.66% (2008: 12.88%)

### 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 an analytical tool provided by a broker, ITG Hong Kong Limited (“ITG HK”) for the purpose of assessing and monitoring the efficiency of trade execution. 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 30 June 2009)

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 30 June 2009)

	Market Value SGD	% of Net Assets ***
Industrial and Commercial Bank of China Co. Limited	65,723,978	6.50
Infosys Technologies Limited	65,367,578	6.46
Bank of China Limited	64,331,035	6.36
Reliance Industries Limited	62,441,918	6.17
China Mobile Limited	48,215,154	4.77
BYD Company Limited	38,554,976	3.81
HDFC Bank Limited	36,064,492	3.57
Larsen & Toubro Limited	28,318,753	2.80
CNOOC Limited	27,301,011	2.70
China Petroleum & Chemical Corporation	26,882,383	2.66

### Top 10 holdings

(As at 30 June 2008)

	Market Value SGD	% of Net Assets ***
Reliance Industries Ltd	79,781,435	7.87
China Mobile Ltd	51,336,440	5.06
China Netcom Group Corporation	46,523,931	4.59
China Petroleum & Chemical Corporation	45,561,894	4.49
Industrial and Commercial Bank of China	44,935,847	4.43
Bank of China Ltd	43,503,840	4.29
China Shenhua Energy Co Ltd	40,139,716	3.96
Infosys Technologies Ltd	37,524,497	3.70
CNOOC Ltd	34,275,374	3.38
ICICI Bank Ltd	33,327,811	3.29

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

## PRU DRAGON PEACOCK FUND

### Schedule of Investments

(As at 30 June 2009)

	Market Value SGD	% of Net Assets ***
<b>Country</b>		
Cayman Islands	19,161,101	1.89
China	332,282,548	32.86
Hong Kong	156,042,004	15.43
India	497,794,554	49.23
<b>Industry</b>		
Advertising	17,498,097	1.73
Agriculture	4,973,891	0.49
Auto & trucks	16,744,107	1.66
Banks	234,451,679	23.18
Cement	7,672,885	0.76
Chemical	62,441,918	6.17
Consumer	25,232,972	2.50
Diversified resource	32,664,126	3.23
Electronics	48,629,029	4.81
Engineering & construction	28,318,753	2.80
Finance	22,522,033	2.23
Gas	17,511,275	1.73
Insurance	19,973,001	1.98
Internet software	90,736,483	8.97
Manufacturing	51,240,556	5.07
Medical-drugs	12,083,011	1.19
Metal products	14,404,277	1.42
Mining	19,290,384	1.91
Motor	18,201,464	1.80
Petrol	91,056,438	9.00
Power	24,765,224	2.45
Real estate	49,327,782	4.88
Telecom service	79,677,466	7.88
Transport	6,589,217	0.65
<b>Asset Class</b>		
Equities	996,006,068	98.49
Net Assets of Dragon Peacock Investment Limited	9,274,139	0.92
Other net current assets	5,939,150	0.59

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

## **Prudential Unit Trusts – GLOBAL BASICS FUND ("PRU GLOBAL BASICS FUND")**

Included under the CPF Investment Scheme – Ordinary Account\*

### **Structure**

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

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

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

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

### **Investment Objective**

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

### **Manager's Commentary**

#### **Fund performance**

For the six months ended 30 June 2009, the PRU Global Basics Fund (the "Fund") returned 18.4% (bid-to-bid basis), outperforming its benchmark which returned 8.7%<sup>1</sup>.

#### **Market background**

Global stock markets fell sharply in the first three months of 2009 due to concerns that the global economy and financial system were on the verge of collapse. Sentiment improved, however, in the following quarter as investors were encouraged by signs that policymakers' efforts had probably averted a 1930s-style Great Depression. By this point, economic data – albeit still weak – had stopped deteriorating and financial markets had stabilised. In this

<sup>1</sup> The performance mentioned above applies to SGD units only and not the USD and EUR classes.

## PRU GLOBAL BASICS FUND

more benign environment, equities embarked on a cyclical-led rally which saw commodity, financial and industrial stocks, achieve compelling returns.

### **Factors affecting performance<sup>2</sup>**

The prospect of a Chinese recovery reviving global demand prompted a jump in many commodities prices during the second half of the review period. In this environment, the fund's relatively large weighting in resources stocks was well rewarded with mining groups Lonmin and Eramet bouncing back after losses in previous months. Although we are encouraged by the turnaround of both companies, we expect their share prices to remain volatile over the next few months. Both companies also enjoy sound company fundamentals, which include attractive assets, healthy balance sheets, the ability to generate cash and strong global demand over the long term for their products. In particular, Anglo-African mining group Lonmin is strategically placed to benefit from the scarce supply of platinum – there are only two deposits of the rare metal in the world - in South Africa and Russia. At the same time, platinum has a variety of uses in catalytic converters, jewellery, electronics and dentistry.

A holding in Australian metal recycling firm Sims Metal Management also added significant value. Confidence in Sims was lifted by the improved outlook for the global economy and expectations of robust demand for industrial metals.

Anglo-Irish oil exploration group Tullow Oil featured prominently among the contributors to performance as well. The company's good financial health and extensive exploration portfolio underpinned investor sentiment in the business.

Outside of the resources sector, we were pleased with the performance of relative newcomer to the portfolio Starbucks. Shareholders responded with optimism to the management team's plans to rationalise the business through the disposal of underperforming assets, a greater focus on faster growing countries, such as Asia, and the decision to adapt its product offering in light of the economic downturn.

However, the hostile trading environment took its toll on US beverages producer Constellation Brands, which reported a loss in its fourth-quarter earnings. Specifically, sales during the period were down in Europe and in Australia and New Zealand. Constellation has shifted its focus in recent times to the faster-growing and more lucrative premium end of the wine and spirits market. However, this development has coincided with a worsening in the economy and consumers buying cheaper wines. Nevertheless, we remain a firm believer in the prospects for Constellation, in particular its ability to take advantage of rising demand for wine, both in developed and developing markets. In addition, Constellation has a relatively small amount of debt and is in a sound financial position.

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

## PRU GLOBAL BASICS FUND

### Key changes to the portfolio<sup>2</sup>

During the period, we sold the remainder of the Fund's position in Anglo-Russian oil & gas exploration group Sibir Energy and also disposed of the holding in Australian packaging business Amcor. The latter was sold partly due to the potential acquisition of some of Rio Tinto's assets, which our opinion would not make strategic sense.

Another key transaction was the sale of Australian oil & gas business Santos in May. The stock had performed extremely well over the previous six months, reflecting the ongoing transformation of the business from a domestic oil & gas company to a major supplier to Asian markets where demand for energy keeps on growing. This has left the company's valuation looking more expensive.

Reflecting the overall long-term shift of the Fund towards the demographic and structural changes taking place in emerging economies, we added to existing holdings in AMMB Holdings, Will-Bill-Dann Foods, Hong Kong & Shanghai Hotels and PZ Cussons. All of these businesses are in good financial health and should therefore be able to finance their own expansion plans, a highly prized quality in today's environment of limited credit. They are also equipped to weather the current downturn, while positioning themselves for more benign conditions.

We increased the portfolio's stake in mining group BHP Billiton ("BHP") and mineral sands producer Iluka Resources ("Iluka") during the review period. A diversified mining company, BHP has some of the best mining assets in its sector as well as a solid balance sheet, leaving it in a strong position to secure other assets and enhance its portfolio of metals and minerals. Iluka produces zircon and titanium, which have a number of industrial and manufacturing uses, such as paints and ceramics and sanitary ware. We also purchased a holding in German potash manufacturer K&S, after the shares had come under intense selling pressure. This stock was previously held in the fund but sold following a period of impressive performance. Our positive view of the business is based on the attractive prospects for potash and fertiliser demand over the long term. Another purchase was made in Panoramic Resources, an Australian nickel mining group, a well managed business with good quality assets that should benefit from robust long-term requirements for nickel.

Investors' rotation out of defensive stocks in April and May came at the expense of a large number of good quality businesses, such as US industrial conglomerate United Technologies ("United"). We considered the fall in its share price as an opportune time to gain exposure to a well managed, diversified business at attractive valuation levels. The business operates across a variety of areas, namely defence, locks and lifts, and also has a successful after-

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

## PRU GLOBAL BASICS FUND

care division, including lift maintenance, which provides healthy long-term cashflows and therefore a steady income stream. In addition, United's management team has a proven track record of allocating capital efficiently and achieving solid returns.

Another newcomer to the portfolio was Aggreko, a company that designs and leases power generators, temperature-control equipment and air compressors. The business is well placed to take advantage of rising electricity consumption and the need for countries to renew their electricity networks. The business is expanding its customer base in emerging markets and also boasts an efficient distribution network, enabling it to meet all of its clients' energy requirements around the world.

### Outlook

The global economy and financial markets have just endured one of the toughest periods in history and are understandably still fragile, to say the least. Nevertheless, we do agree with the consensus view that the huge stimulus measures undertaken by governments worldwide have probably succeeded in avoiding a repeat of the Great Depression.

Although economic data from the leading developed countries, such as the US, Europe and Japan, still makes for unpleasant reading, there have been signs of improvement over the past couple of months. We have also been encouraged by the strength of faster growing parts of the world, particularly China and the rest of the Pacific Basin. China's large budget surplus and therefore lack of debt mean that the authorities have been able to act fast and in March, they unveiled a massive spending and infrastructure project aimed at buoying demand at home in order to offset the collapse in external demand. This ties in with the fund manager's belief that a number of 'basic' companies with unique assets will see their returns transformed by the structural and demographic shifts taking place globally, particularly in China, and India too. Investment in infrastructure projects such as roads, hospitals and housing is creating demand for commodities, while rising consumer spending is creating enormous demand for clothes, consumer hygiene products and different types of food.

The Fund is well positioned to protect investors should conditions deteriorate, while offering significant upside once the economy has fully recovered. Many of the Fund's holdings are in well-established businesses with attractive assets, good earnings visibility and robust cashflows, which have a proven ability to generate sustainable high returns. This will continue to serve the Fund well in the months ahead.

## PRU GLOBAL BASICS FUND

### Fund Performance

(As at 30 June 2009)

Sub-Fund/Benchmark	3 months (%)	6 months (%)	1 year (%)	3 year (%)	Since inception <sup>+</sup> (%)
			(average annual compounded return)		
PRU Global Basics Fund SGD Class	21.5	18.4	-38.3	-8.0	-3.2
FTSE Global Basics Composite Index SGD	14.4	8.7	-26.1	-5.8	-2.3
PRU Global Basics Fund USD Class	27.8	17.9	-42.0	–	-4.9
FTSE Global Basics Composite Index USD	20.2	8.2	-30.6	–	-3.1
PRU Global Basics Fund Euro Class	20.8	16.9	-34.9	–	-32.1
FTSE Global Basics Composite Index Euro	13.8	7.3	-22.1	–	-23.7

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

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

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

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

### Schedule of Investments

(As at 30 June 2009)

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets***
	<u>United Kingdom</u>		
	M&G Investment Fund (1)		
	- Global Basics Fund Net Accumulation Shares in Sterling Class A	361,263,605	99.98
23,926,402			
<b>Total Investments</b>		<b>361,263,605</b>	<b>99.98</b>
Other Net Current Assets		78,070	0.02
<b>Total Net Assets Attributable to Unitholders</b>		<b>361,341,675</b>	<b>100.00</b>

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

## **PRU GLOBAL BASICS FUND**

(As at 30 June 2009)

### **Exposure to Derivatives**

Nil.

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

The Fund invests SGD 361,263,605 equivalent to 99.98% 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 361,263,605 equivalent to 99.98% 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 period ended 30 June 2009**

	<b>SGD</b>
Subscriptions	15,607,989
Redemptions	19,545,904

### **Annualised Expense Ratio\***

1.79% (2008: 1.72%)

*\*\* 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**

1.92% (2008: 2.26%)

### **Soft Dollar Commission**

Nil.

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

Nil.

## M&G GLOBAL BASICS FUND

### Top 10 Holdings

(As at 30 June 2009)

	Market Value GBP	% of Net Assets ***
Sims	150,832,245	5.43
Tullow Oil	128,207,625	4.62
Eramet	127,516,821	4.59
Unilever	115,718,750	4.17
Lonmin	106,496,051	3.83
Colgate-Palmolive	106,149,897	3.82
Johnson Matthey	97,565,394	3.51
Constellation Brands	92,781,133	3.34
Dentsply International	87,681,483	3.16
Agrana Beteiligungs	87,626,537	3.15

### Top 10 Holdings

(As at 30 June 2008)

	Market Value GBP	% of Net Assets ***
Eramet	262,016,567	7.04
Santos	175,368,881	4.71
Tullow Oil	158,437,500	4.26
Sims	149,245,809	4.01
Lonmin	124,371,000	3.34
Bluescope Steel	116,302,070	3.13
Constellation Brands	114,526,189	3.08
FMC	109,860,895	2.95
Johnson Matthey	105,340,000	2.83
Imerys	100,298,349	2.70

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

### Annualised Expense Ratio\*\*

1.70%# (2008: 1.63%)

# For the period 1 September 2008 to 28 February 2009

\*\* 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

30.90% (2008: 26.40%)

## M&G GLOBAL BASICS FUND

### Schedule of Investments

(As at 30 June 2009)

	<b>Market Value GBP</b>	<b>% of Net Assets***</b>
<b>Country</b>		
Australia	425,702,073	15.32
Austria	106,968,033	3.85
Canada	39,002,799	1.40
France	305,026,524	10.98
Germany	66,343,729	2.39
Hong Kong	52,285,592	1.88
Ireland	79,141,320	2.85
Malaysia	45,303,313	1.63
Netherlands	85,744,318	3.09
Singapore	111,406,689	4.01
Spain	19,386,787	0.70
United Kingdom	585,975,561	21.10
United States of America	826,023,111	29.75

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

## M&G GLOBAL BASICS FUND

### Schedule of Investments

(As at 30 June 2009)

	Market Value GBP	% of Net Assets***
<b>Industry</b>		
Aerospace & Defence	174,409,880	6.29
Beverages	228,488,666	8.23
Chemicals	235,823,162	8.49
Construction & Materials	110,234,087	3.97
Food Producers	405,434,554	14.60
General Financial	45,303,313	1.63
General Industrials	89,973,459	3.24
Healthcare Equipment & Services	167,103,512	6.02
Household Goods	70,651,649	2.54
Industrial Metals	233,836,655	8.41
Leisure Goods	4,810,364	0.17
Mining	319,476,962	11.50
Oil & Gas Producers	128,207,625	4.62
Personal Goods	151,108,320	5.44
Pharmaceutical & Biotech	7,608,895	0.27
Support Services	179,158,620	6.45
Travel & Leisure	196,680,126	7.08
<b>Asset Class</b>		
Equities	2,748,309,849	98.95
Other net current assets	29,163,470	1.05

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

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

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

### **Structure**

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

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

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

### **Investment Objective**

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

### **Manager’s Commentary**

#### **Fund performance**

The PRU Global Balanced Fund (the “Fund”) rose by 10.8% (bid-to-bid basis) for the six month ending 30<sup>th</sup> June 2009 and outperformed its composite benchmark by 4.7%. Since its October 2008 inception, the Fund declined by an annualized 14.2% (bid-to-bid basis), underperforming its composite benchmark by 2.6% p.a.

#### **Market background**

After one of the worst years in financial market history, global equities started 2009 on a weak note. A slew of weak economic news, coupled with investors’ disappointment over the new Obama administrations’ actions to fix the financial institutions drove markets lower. Sentiment, however, took a drastic turn subsequently, with equities rallying strongly from their mid March lows, buoyed by government policy initiatives, signs of financial system and economic stabilisation. For the review period, the FTSE Global Basics composite registered an 8.72% gain in Singapore dollar terms. Small and mid caps stocks outperformed large caps, while emerging markets generally outperformed their developed market peers. In terms of sectors, financials and basic materials made the strongest gains, rebounding from particularly weak levels as confidence improved. Conversely, the traditional ‘safe havens’ of healthcare, telecoms and utilities underperformed as investors sought exposure to areas with greater economic sensitivity.

## PRU GLOBAL BALANCED FUND

Global government bond markets (using the Citigroup World Government Bond Index ex-Japan as a proxy) rose 1.23%<sup>1</sup> (in Singapore dollar terms) over the corresponding period. Bond yields rose generally as improving risk appetite prompted investors to move out of safe G7 government bonds into riskier corporate bonds and equities. In addition, fears of increased bond issuance from several G7 governments, as a result of the massive fiscal expansion, also led bond yields higher, particularly in the longer maturity sector. Nevertheless, the extent of price falls was contained given the benign inflation outlook and expectations of low interest rates to persist.

### Factors affecting performance

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 mainly to the outperformance of the M&G Global Basics Fund, which was up 18.45% (bid-to-bid basis) in Singapore dollar terms (Sterling Class) versus its benchmark's 8.72% gain. On a negative note, Legg Mason Global Bond Trust was up 0.25% (bid-to-bid basis), behind its benchmark's 1.23% gain.

### 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.

### Outlook

Massive monetary easing by major central banks has helped the global economy to stabilise from the Lehman induced slump. However, the global economy is probably recuperating rather than recovering strongly, in our opinion. The second quarter rally in equities has taken valuations back to "fair", or average, levels for most markets. At current valuation, market seems to have priced in a V-shape recovery. It appears to us that the policy stimulus will likely fade in the coming months and downward pressure on private investment, household income, employment and spending and will likely weigh on final demand. As such, equities are vulnerable to earnings disappointment. Conversely, developed market bond yields remain low and do not appear particularly attractive relative to equities.

Looking forward, the Fund will continue to maintain its allocations of 60% towards global equities and 40% towards global bond. The fund manager of the global equity sub-fund remains positive on the prospects for China and other emerging markets, in particular the outlook for consumer spending in developing nations. As such, the majority of the sub-fund's holdings are companies domiciled in developed countries whose operations have a meaningful exposure to the structural trends taking place in emerging markets. The global bond sub-fund remains long duration and is positioned for the possibility of a smaller rates differential between the shorter and longer maturity bonds. The fund manager generally believes that central banks will remain accommodative but tactically, increasing duration as rates rise and reducing duration as rates fall. Likewise, currency positions remain close to neutral, with small positions building if and when the fund manager feels certain movements in the foreign exchange markets have overshot.

<sup>1</sup> Legg Mason International Equities (Singapore) Pte Ltd

## PRU GLOBAL BALANCED FUND

### Fund Performance

(As at 30 June 2009)

Sub-Fund/Benchmark	3 months (%)	6 months (%)	1 year (%)	Since inception*
			(average annual compounded return)	
PRU Global Balanced Fund	11.6	10.8	-22.2	-14.2
Composite Benchmark				
60% FTSE Global Basics Composite Index 40% Citigroup World Government Bond Index (S\$) ex Japan	8.1	6.1	-13.2	-11.6

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

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

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

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

### Schedule of Investments

(As at 30 June 2009)

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets***
	<u>United Kingdom</u>		
1,478,903	M&G Investment Fund (1) - Global Basics Fund Net Accumulation	22,329,885	59.51
	<u>Singapore</u>		
12,562,258	Legg Mason Global Bond Trust	15,162,645	40.41
<b>Total Investments</b>		<b>37,492,530</b>	<b>99.92</b>
Other Net Current Assets		29,780	0.08
<b>Total Net Assets Attributable to Unitholders</b>		<b>37,522,310</b>	<b>100.00</b>

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

## **PRU GLOBAL BALANCED FUND**

(As at 30 June 2009)

### **Exposure to Derivatives**

Nil.

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

The Fund invests SGD 22,329,885, equivalent to 59.51% and SGD 15,162,654 equivalent to 40.41% 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 22,329,885, equivalent to 59.51% 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 period ended 30 June 2009**

	<b>SGD</b>
Subscriptions	7,728,387
Redemptions	11,636,347

### **Annualised Expense Ratio\*\***

1.71% (2008: 1.70%)

*\*\* 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**

14.70% (2008: 29.82%)

### **Soft Dollar Commission**

Nil.

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

Nil.

## M&G GLOBAL BASICS FUND

### Top 10 Holdings

(As at 30 June 2009)

	Market Value GBP	% of Net Assets***
Sims	150,832,245	5.43
Tullow Oil	128,207,625	4.62
Eramet	127,516,821	4.59
Unilever	115,718,750	4.17
Lonmin	106,496,051	3.83
Colgate-Palmolive	106,149,897	3.82
Johnson Matthey	97,565,394	3.51
Constellation Brands	92,781,133	3.34
Dentsply International	87,681,483	3.16
Agrana Beteiligungs	87,626,537	3.15

### Top 10 Holdings

(As at 30 June 2008)

	Market Value GBP	% of Net Assets***
Eramet	262,016,567	7.04
Santos	175,368,881	4.71
Tullow Oil	158,437,500	4.26
Sims	149,245,809	4.01
Lonmin	124,371,000	3.34
Bluescope Steel	116,302,070	3.13
Constellation Brands	114,526,189	3.08
FMC	109,860,895	2.95
Johnson Matthey	105,340,000	2.83
Imerys	100,298,349	2.70

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

### Annualised Expense Ratio\*\*

1.70% \* (2008: 1.63%)

# For the period 1 September 2008 to 28 February 2009

\*\* 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

30.90% (2008: 26.40%)

## M&G GLOBAL BASICS FUND

### Schedule of Investments

(As at 30 June 2009)

	<b>Market Value GBP</b>	<b>% of Net Assets***</b>
<b>Country</b>		
Australia	425,702,073	15.32
Austria	106,968,033	3.85
Canada	39,002,799	1.40
France	305,026,524	10.98
Germany	66,343,729	2.39
Hong Kong	52,285,592	1.88
Ireland	79,141,320	2.85
Malaysia	45,303,313	1.63
Netherlands	85,744,318	3.09
Singapore	111,406,689	4.01
Spain	19,386,787	0.70
United Kingdom	585,975,561	21.10
United States of America	826,023,111	29.75

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

## M&G GLOBAL BASICS FUND

### Schedule of Investments

(As at 30 June 2009)

	Market Value GBP	% of Net Assets***
<b>Industry</b>		
Aerospace & Defence	174,409,880	6.29
Beverages	228,488,666	8.23
Chemicals	235,823,162	8.49
Construction & Materials	110,234,087	3.97
Food Producers	405,434,554	14.60
General Financial	45,303,313	1.63
General Industrials	89,973,459	3.24
Healthcare Equipment & Services	167,103,512	6.02
Household Goods	70,651,649	2.54
Industrial Metals	233,836,655	8.41
Leisure Goods	4,810,364	0.17
Mining	319,476,962	11.50
Oil & Gas Producers	128,207,625	4.62
Personal Goods	151,108,320	5.44
Pharmaceutical & Biotech	7,608,895	0.27
Support Services	179,158,620	6.45
Travel & Leisure	196,680,126	7.08
<b>Asset Class</b>		
Equities	2,748,309,849	98.95
Other net current assets	29,163,470	1.05

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

## LEGG MASON GLOBAL BOND TRUST

### Top 10 Holdings

(As at 31 March 2009)

	Market Value SGD	% of Net Assets***
Bundesrepublik Deutschland Series 04 (BR) 3.75% 04/01/2015	53,806,393	14.34
US Treasury Note 5.125% 15/05/2016	51,202,426	13.65
Bundesrepublik Deutschland Series 07 (BR) 4% 04/01/2018	33,561,121	8.94
Bundesrepublik Deutschland Series 0303 (BR) 4.25% 04/01/2014	31,475,610	8.39
US Treasury Note 3.875% 15/09/2010	21,263,423	5.67
UK Treasury 4.75% 07/06/2010	20,714,434	5.52
UK Treasury 8% 07/06/2021	19,119,211	5.09
Government of Netherlands 4% 15/01/2037	18,445,138	4.92
US Treasury Note 4.75% 15/08/2017	13,250,709	3.53
Government of France Oat 4% 25/10/2013	12,016,645	3.20

### Top 10 Holdings

(As at 31 March 2008)

	Market Value SGD	% of Net Assets***
Bundesrepub Deutschland Series 04 3.75% 04/01/2015	49,097,857	11.87
Government of France BTan 3.5% 12/01/2009	44,259,894	10.70
Bundesrepub Deutschland Series 0303 4.25% 04/01/2014	34,184,193	8.27
FNMA 30 Yr Apr Fwd 25/11/2037 FRN	28,317,408	6.85
UK Treasury 4.75% 07/06/2010	25,686,911	6.21
US Treasury Note 3.875% 15/09/2010	19,446,018	4.70
Government of Netherlands 4% 15/01/2037	18,451,506	4.46
Bundesobligation Series 143 3.50%10/10/2008	15,111,185	3.65
Government of France Oat 4% 25/10/2013	12,549,105	3.04
United States Treasury Note 4.75% 15/08/217	11,418,831	2.76

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

### Annualised Expense Ratio\*\*

0.95%# (2008: 0.93%)

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

### Turnover Ratio

149.51%# (2008: 227.75%)

# For the period 1 April 2008 to 31 March 2009

# LEGG MASON GLOBAL BOND TRUST

## Schedule of Investments

(As at 31 March 2009)

	Market Value SGD	% of Net Assets***
<b>Country</b>		
Australia	1,909,580	0.51
Austria	1,623,160	0.43
Canada	3,399,573	0.91
Denmark	1,311,473	0.35
France	31,575,241	8.41
Germany	126,743,550	33.78
Great Britain	44,588,146	11.88
Netherlands	18,445,138	4.92
Supra-National	419,733	0.11
Sweden	4,335,907	1.16
United States of America	112,194,737	29.90
<b>Industry</b>		
Bank	5,648,197	1.51
Electronic	1,635,381	0.44
Government	335,147,947	89.32
Investment	419,733	0.11
Miscellaneous	2,815,722	0.75
Transport	879,258	0.23
<b>Credit Ratings (by S&amp;P/Moody's)</b>		
AAA	323,676,881	86.26
Aaa	18,445,138	4.92
AA+	3,544,961	0.95
AA-	879,258	0.23
<b>Asset Class</b>		
Bonds	346,546,238	92.36
Other net current assets	28,675,694	7.64

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

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

### **Structure**

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

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

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

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

### **Investment Objective**

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

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

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

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

# PRU ASIAN INFRASTRUCTURE EQUITY FUND

## Manager's Commentary

### Fund performance

The PRU Asian Infrastructure Fund (the "Fund") rose 21.3% (bid-to-bid basis) over the review period, underperforming its benchmark return 36.5%<sup>1</sup>.

### Market background

Stock market volatility was high at the start of the year as investors and governments worldwide wrestled with the global slowdown. Governments across Asia responded with substantial incremental infrastructure spending plans to bolster their domestic economies and invest in an area of great need. This, along with other economic stimulus plans, helped to return confidence to consumers and investors alike amid signs that the worst was over. The equity rally that ensued resulted in significant gains. The largest gains were seen in buoyant economies such as India, China and Indonesia.

### Factors affecting performance<sup>2</sup>

The Fund's underperformance was largely driven by the structural underweight positioning in financials and IT as these sectors outperformed, buoyed by the return of investor confidence, and also by the underperformance of industrials, telecoms and utilities, where the fund was overweight. A new position in aluminium company China Zhongwang Holdings Ltd, was the largest contributor to performance. Other China stocks also helped such as China Shenhua Energy Co Ltd, China Shipping Container Lines Co Ltd and Angang Steel Co Ltd. The largest detractors to performance were those in sectors disliked by investors such as utility Korea Electric Power Corp, telecom company China Mobile Ltd and industrial stock Jiangsu Expressway Co Ltd.

### Key changes to the portfolio<sup>2</sup>

New positions were established in China Zhongwang Holdings Ltd., KT Corporation, China Merchants Holdings International Co Ltd and Hyundai Engineering & Construction Co. An existing position was sold down and closed in top performing company Angang Steel Co Ltd and positions that were reduced included China Mobile Ltd, Gail India Ltd and NWS Holdings Ltd.

<sup>1</sup> The performance mentioned above applies to SGD units only and not the USD and EUR classes.

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

## PRU ASIAN INFRASTRUCTURE EQUITY FUND

### **Outlook**

Governments across the region have made significant commitments to incremental spending on infrastructure projects this year which provides substantial near-term support to the long-term structural Asian infrastructure growth story. We believe there are some great opportunities to buy companies that will benefit from these trends. We believe a sustainable equity rally will be characterized by a rally in companies with high quality earnings streams and resilient business models, and hence remain committed to our bias towards telecoms, utilities and industrial stocks. Over the medium to long term, infrastructure stocks are still at attractive valuations given the positive outlook.

# PRU ASIAN INFRASTRUCTURE EQUITY FUND

## Fund Performance

(As at 30 June 2009)

Sub-Fund/Benchmark	3 month (%)	6 month (%)	1 year (%)	Since inception* (%)
PRU Asian Infrastructure Equity Fund SGD Class	19.4	21.3	-5.5	-13.4
MSCI AC Asia ex Japan Index SGD	28.5	36.5	-12.4	-16.9
PRU Asian Infrastructure Equity Fund USD Class	25.6	20.8	-11.1	-17.1
MSCI AC Asia ex Japan Index USD	35.0	35.9	-17.7	-20.1
PRU Asian Infrastructure Equity Fund EUR Class	18.9	19.6	-0.2	-9.3
MSCI AC Asia ex Japan Index EUR	27.8	34.6	-7.6	-13.0

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

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

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

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

## Schedule of Investments

(As at 30 June 2009)

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets ***
	<u>Luxembourg</u>		
	International Opportunities Funds: - Asian Infrastructure Equity Class C		
746,713		8,941,085	99.89
<b>Total Investments</b>		<b>8,941,085</b>	<b>99.89</b>
Other Net Current Assets		9,985	0.11
<b>Total Net Assets Attributable to Unitholders</b>		<b>8,951,070</b>	<b>100.00</b>

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

## **PRU ASIAN INFRASTRUCTURE EQUITY FUND**

(As at 30 June 2009)

### **Exposure to Derivatives**

Nil.

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

The Fund invests SGD 8,941,085, equivalent to 99.89% 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 8,941,085, equivalent to 99.89% 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 30 June 2009**

	<b>SGD</b>
Subscriptions	3,455,158
Redemptions	988,888

### **Annualised Expense Ratio\*\***

2.70% (2008: 0.43%#)

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

### **Turnover Ratio**

13.66% (2008: 18.38%#)

# For period 6 Mar 08 to 30 Jun 08

## **PRU ASIAN INFRASTRUCTURE EQUITY FUND**

### **Soft Dollar Commission**

Soft dollar arrangements have been undertaken by the Manager in respect of the sub-funds of the International Opportunities Funds (“underlying fund”) which the PRU Asian Infrastructure Equity Fund feeds into. Such softing services shall include specific advice as to the advisability of dealing in, or as to the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, the conduct of research or analysis, or analysis of trade execution, and custodial service in relation to the investments managed for clients.

Soft dollar arrangements have been undertaken by the Manager in respect of the underlying fund. The soft dollar arrangements relate essentially to the use of an analytical tool provided by a broker, ITG Hong Kong Limited (“ITG HK”) for the purpose of assessing and monitoring the efficiency of trade execution. 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.

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.

## INTERNATIONAL OPPORTUNITIES FUNDS – ASIAN INFRASTRUCTURE EQUITY

### Top 10 Holdings

(As at 30 June 2009)

	Market Value USD	% of Net Assets***
China Mobile Ltd	4,711,048	5.34
China Railway Group Ltd	3,352,126	3.80
Reliance Industries Ltd	3,225,064	3.65
Singapore Telecommunication	2,855,994	3.24
Guangdong Investment Ltd	2,765,174	3.13
Korea Electric Power Corp	2,601,808	2.95
Sinotruk Hong Kong Ltd	2,584,396	2.93
China Petroleum & Chemicals	2,513,454	2.85
China Zhongwang Holdings	2,426,732	2.75
Chunghwa Telecom Co Ltd	2,357,554	2.67

### Top 10 Holdings

(As at 30 June 2008)

	Market Value USD	% of Net Assets***
Singapore Telecommunication	4,764,745	4.43
Hong Kong & China Gas	4,503,887	4.19
Korea Elec Power	3,818,406	3.55
CNOOC Limited	3,729,952	3.47
S1 Corporation	3,614,075	3.36
Far Eastone Telecom Co Ltd	3,583,202	3.33
Jiangsu Expressway	3,566,816	3.32
Nws Holdings Limited	3,526,242	3.28
Chunghwa Telecom Co Limited	3,511,049	3.27
Bharti Airtel Limited	3,487,168	3.24

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

### Annualised Expense Ratio\*\*

1.20% (2008: 0.09%#)

\*\* 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

10.73% (2008: 15.12%#)

# For period 6 Mar 08 to 30 Jun 08

## INTERNATIONAL OPPORTUNITIES FUNDS – ASIAN INFRASTRUCTURE EQUITY

### Schedule of Investments

(As at 30 June 2009)

	Market Value USD	% of Net Assets ***
<b>Country</b>		
China	30,283,638	34.31
Hong Kong	6,892,970	7.81
India	9,950,455	11.26
Indonesia	1,008,817	1.14
Malaysia	3,902,227	4.42
Philippines	2,843,217	3.22
Singapore	4,925,684	5.59
South Korea	11,976,078	13.57
Taiwan	8,393,218	9.51
Thailand	5,541,392	6.27
<b>Industry</b>		
Auto - Auto Parts	2,584,396	2.93
Building & Construction	2,163,715	2.45
Chemicals & Pharmaceuticals	1,325,794	1.50
Commercial Services	6,769,656	7.67
Diversified Operations	6,622,673	7.50
Electronics & Electrical Equipment	1,928,273	2.18
Energy	22,434,130	25.41
Engineering	6,558,979	7.44
Extractive Industries	5,335,301	6.05
Financial	3,450,632	3.91
Industrials	1,609,778	1.82
Manufacturing	2,426,732	2.75
Public Utilities	3,083,670	3.49
Telecommunications	4,711,048	5.34
Transport & Telecommunications	14,712,919	16.66
<b>Asset Class</b>		
Equities	85,717,696	97.10
Other net current assets	2,537,610	2.90

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

## **Prudential Unit Trusts – GLOBAL LEADERS FUND (“PRU GLOBAL LEADERS FUND”)**

Included under the CPF Investment Scheme – Ordinary Account

### **Structure**

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

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

### **Investment Objective**

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

### **Manager’s Commentary**

#### **Fund performance**

For the six months ended 30 June 2009, the PRU Global Leaders Fund (the “Fund”) returned 15.6% (bid-to-bid basis), outperforming its benchmark, which returned 9.4%.

#### **Market background**

After falling to a low point in mid-March, equity values across the world’s major stock markets started to rally, led by stocks in the less developed markets of Asia Pacific (ex Japan) and the emerging countries. Sentiment improved dramatically on hopes that the global economic crisis could be coming to an end and confidence was also bolstered by moves from the US and UK authorities to buy government and corporate bonds as a means of pumping liquidity into the economies. The result was an increase in risk appetite that drove demand for riskier assets such as mining and financial stocks. In contrast, defensive areas such as telecommunications and pharmaceuticals fell out of favour.

#### **Factors affecting performance**

The Fund outperformed its benchmark due to positive stock selection, especially within technology and consumer services.

As investor sentiment turned more positive in March, economically sensitive companies recorded strong gains as they recovered from very depressed levels. The Fund’s holdings in Shanghai Industrial, Marvell Technology and Konica Minolta benefited from this development.

The biggest contributor to Fund performance was US pharmaceutical company Schering-Plough. Bid activity was the main driver of the company’s share price during the six-month period. We believe that the offer makes strategic sense and offers good value for Schering-Plough shareholders. In recent years, the company has made great progress to develop

## PRU GLOBAL LEADERS FUND

a strong drug pipeline, a fact not lost on Merck in its consideration of Schering-Plough as a potential target.

On the other hand, as more defensive stocks were out of favour during the review period, many of the largest detractors from Fund performance came from the healthcare sector. These included pharmaceutical companies Astellas Pharma, Pfizer and Merck & Co.

Japanese drug maker Daiichi Sankyo also disappointed. In addition to being a traditionally 'defensive' company, its shares came under pressure from news that the US Food and Drug Administration ("FDA") has launched regulatory action against Daiichi's India-based subsidiary Ranbaxy Laboratories. The FDA alleges that a facility owned by Ranbaxy falsified data and test results in drug approval applications. We are currently reviewing the position in Daiichi Sankyo.

### **Key changes to the portfolio**

With investors switching out from those sectors perceived to be more defensive, we took advantage of some of the attractively valued opportunities available during the review period.

One example was UK-based pharmaceutical company AstraZeneca, which is going through a period of restructuring, aimed at significant cost savings. At the same time, the company has undertaken a plan to improve the development cycle of new pharmaceuticals from twelve to eight years. We like the fact that an ongoing culture change is becoming apparent at AstraZeneca and the company is now more focused on profitability and cashflow rather than chasing top line sales growth.

On the other hand, a position in Norwegian oil & gas group StatoilHydro ("Statoil") was closed. In our view, a joint venture agreement that the company has recently signed was too expensive and raised questions over the general quality of Statoil's management and capital discipline.

The industrial sector remained the Fund's largest overweight as we have sought to take advantage of the valuation opportunities created by the largely indiscriminate sell-off in this sector. An example of new holdings in this sphere was engineering and technology business Smiths Group. The business structure has recently been simplified with the aim of achieving savings and increasing transparency within those divisions. Smiths Group is now allocating more capital to its detection business, which we believe should benefit from strong growth prospects.

The portfolio has a slight overweight position in banks at the end of June (compared with an underweight in January), partly due to a new holding in Swiss banking group UBS. The company has an attractive private banking business and new CEO Oswald Grubel has a strong track record in turning around banks.

## **PRU GLOBAL LEADERS FUND**

As a whole, however, financials remain the Fund's largest sector underweight. We will not invest in companies for which there is no evidence of positive internal improvement or where we are not assured about the long-term viability of the business, as is currently the case for many financials.

### **Outlook**

Our view, near-term volatility is likely to persist on the back of a weak outlook for the global economy, despite some tentative signs of improvement. Until there is more evidence that the various public policy initiatives are working and earnings visibility at company level increases, we believe that expectations of a quick recovery are too optimistic.

Consequently, to protect the Fund from business risk caused by the adverse operating environment, we have recognised the need for the Fund to be more balanced in terms of style, size and quality of returns. Thus, we have invested in higher quality names and steered clear of companies where external conditions are undermining their ability to create shareholder value. Due to the dysfunctional credit markets, we continued to avoid businesses with weaker balance sheets.

When confidence and a greater degree of rationality return to equity markets, investors will once again begin to differentiate stocks based on individual business quality and valuation. This is likely to happen through the course of 2009 and will create excellent long-term opportunities for stock pickers who have an edge in identifying genuine value creation.

## PRU GLOBAL LEADERS FUND

### Fund Performance

(As at 30 June 2009)

Sub-Fund/Benchmark	3 months (%)	6 months (%)	Since inception+ (%)
PRU Global Leaders Fund	20.5	15.6	-29.2
FTSE World Index	16.4	9.4	-22.0

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.

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

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

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

### Schedule of Investments

(As at 30 June 2009)

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets***
	<u>United Kingdom</u>		
	M&G Investment Funds (1)		
	- Global Leaders Fund Euro		
177,170	Class A Shares	3,089,766	99.66
<b>Total Investments</b>		<b>3,089,766</b>	<b>99.66</b>
Other Net Current Assets		10,643	0.34
<b>Total Net Assets Attributable to Unitholders</b>		<b>3,100,409</b>	<b>100.00</b>

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

## **PRU GLOBAL LEADERS FUND**

(As at 30 June 2009)

### **Exposure to Derivatives**

Nil.

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

The Fund invests SGD 3,089,766, equivalent to 99.66% 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 3,089,766, equivalent to 99.66% 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 30 June 2009**

	<b>SGD</b>
Subscriptions	338,515
Redemptions	209,042

### **Annualised Expense Ratio\*\***

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**

6.86%

### **Soft Dollar Commission**

Nil.

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

Nil.

## M&G GLOBAL LEADERS FUND

### Top 10 Holdings

(As at 30 June 2009)

	Market Value GBP	% of Net Assets***
Microsoft	17,485,037	2.90
Vodafone Group	15,234,172	2.53
Astellas Pharmaceuticals	15,048,172	2.50
Wells Fargo	14,210,156	2.36
HSBC Holdings	13,814,839	2.29
Heineken	13,167,096	2.18
Samsung Electronics	12,507,504	2.07
JP Morgan Chase	12,257,736	2.03
McAfee	12,029,886	2.00
AstraZeneca	11,978,588	1.99

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

### Annualised Expense Ratio\*\*

1.70%

### Turnover Ratio

96.90%

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

## M&G GLOBAL LEADERS FUND

### Schedule of Investments

(As at 30 June 2009)

	<b>Market Value GBP</b>	<b>% of Net Assets***</b>
<b>Country</b>		
Canada	19,480,607	3.23
Denmark	7,641,746	1.27
France	13,824,694	2.30
Germany	46,434,511	7.70
Hong Kong	25,214,462	4.18
Ireland	15,992,497	2.65
Japan	68,377,326	11.35
Malaysia	9,112,181	1.51
Netherlands	27,758,004	4.60
South Korea	12,507,504	2.07
Switzerland	26,370,830	4.38
United Kingdom	76,225,883	12.64
United States	238,773,208	39.59

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

## M&G GLOBAL LEADERS FUND

### Schedule of Investments

(As at 30 June 2009)

	Market Value GBP	% of Net Assets***
<b>Industry</b>		
Aerospace & Defence	5,805,909	0.96
Automobiles & Parts	6,031,026	1.00
Banks	64,389,082	10.68
Beverages	21,917,229	3.63
Chemicals	27,685,723	4.59
Electricity	6,527,485	1.08
Electronic & Electric Equipments	21,100,294	3.50
Food & Drug Retailers	20,955,965	3.48
Food Producers	10,092,610	1.67
Gas, Water & Multi Utilities	11,155,467	1.85
General Financial	9,112,180	1.51
General Industrials	35,127,747	5.82
General Retailers	18,311,232	3.04
Household Goods	4,427,977	0.73
Industrial Engineering	21,847,587	3.62
Industrial Transport	16,334,615	2.71
Leisure Goods	17,294,849	2.87
Life Insurance	16,608,035	2.75
Mining	10,270,911	1.70
Mobile Telecommunications	24,861,688	4.13
Oil & Gas Producers	46,069,451	7.65
Oil Equipment, Services & Distribution	25,315,086	4.20
Pharmaceutical & Biotechnology	66,112,041	10.97
Software & Computer Services	56,455,881	9.37
Support Services	5,899,887	0.98
Technology Hardware & Equipments	18,003,496	2.98
<b>Asset Class</b>		
Equities	587,713,453	97.47
Other net current assets	15,255,105	2.53

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

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

### **Structure**

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

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

### **Investment Objective**

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

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

### **Manager's Commentary**

#### **Fund performance**

The PRU Global Positioning Strategy Fund (the "Fund") returned 5.7% (bid-to-bid basis) over the review period, outperforming its benchmark return of 2.5%.

#### **Market background**

After one of the worst years in financial market history, equity and credit markets generally started 2009 on a weak note due to a slew of weak economic news, coupled with investors' disappointment over the new Obama administrations' actions to fix the financial institutions. Sentiment, however, took a drastic turn subsequently, with risky assets rallying strongly from their mid March lows, buoyed by government policy initiatives, signs of financial system and economic stabilisation, and the strong pick-up in demand for credit that followed. The "green shoots" story that began to emerge towards the end of the first quarter gained momentum as many economic indicators came out "less worse" than expected, suggesting that a depression-type scenario had been averted. In addition, US financial system insolvency "worst case" fears were eased as the second quarter progressed and bank earning releases generally came out better than expected and were followed by somewhat benign "bank stress test" results and successful capital raises.

## PRU GLOBAL POSITIONING STRATEGY FUND

For the first half of 2009, global equities<sup>1</sup> gained 9.6% in US dollar terms, with emerging markets including Asia generally outperforming developed markets. The credit markets also saw a trend similar to equities, with riskier high yield credits<sup>2</sup> (+21.6%) outperforming the higher quality investment grade corporate bonds<sup>3</sup> (+3.6%). In contrast, government bond markets<sup>4</sup> fell 1.5% over the review period. Bond yields generally rose as improving risk appetite prompted investors to switch out of safe G7 government bonds into corporate bonds and equities. In addition, fears of increased bond issuance from several G7 governments, as a result of the massive fiscal deficits, also led bond yields higher, particularly in the longer maturity sector.

### Factors affecting performance

The Fund was defensively positioned, with a modest equity weighting, over the review period as we do not believe that the US is poised for a V-shape economic recovery. Economic adjustment and de-leveraging may continue for several years and profit growth should likewise be muted for some time to come. In addition, the “margin of safety” built into equity prices then (especially in the US) was insufficient in our view and hence equities remain vulnerable to further downside risk. This relatively defensive strategy helped the Fund to avoid the drawdown in equities as markets sold off sharply in January through mid March. Despite having a relatively low equity weighting, our core equity holdings namely Russia<sup>5</sup> (+56.2%) and Turkey<sup>6</sup> (+33.4%) have outperformed the broader global equity markets<sup>1</sup> (+9.6%) over the review period. This together with the Fund’s exposures to select emerging market bonds (namely Turkey, Indonesia and Poland) and US high yield credits, allowed the Fund to enjoy some good gains in the second quarter. In addition, the Fund has experienced a lower volatility versus equities over the review period.

### Key changes to the portfolio

We have progressively reduced the Fund’s equity weighting over the review period given our relatively cautious stance. We sold the entire equity holdings in Asia and the UK, and trimmed the weighting in Russia in mid January. We further reduced the equity weighting in late March, by selling out Singapore as valuation was no longer looking extremely attractive following the market rebound. The Fund exited its entire position in Russia equity in mid May as this asset has gained more than 50% for the year to date and valuation was no longer extremely cheap. Instead, we switched the proceeds into Russian USD sovereign bond which offered higher potential risk-adjusted return in our opinion.

<sup>1</sup> Using MSCI AC World Total Return Gross Index as a proxy.

<sup>2</sup> Using iBoxx \$ Liquid High Yield Index as a proxy.

<sup>3</sup> Using iBoxx \$ Liquid Investment Grade Index as a proxy.

<sup>4</sup> Using Citigroup World Government Bond Index as a proxy

<sup>5</sup> Using Russia RTS Index \$ as a proxy

<sup>6</sup> Using ISE National 30 Index (in local currency terms) as a proxy

## PRU GLOBAL POSITIONING STRATEGY FUND

In line with the relatively cautious view, we also gradually took profits on the US high yield bond holdings and switched into safer US investment grade bonds as the latter offers better expected risk-adjusted returns in our opinion.

We gradually invested the Fund's cash holdings in a number of emerging markets government bonds in the second quarter as value emerged. In particular, we added Turkey government inflation-linked bond and Indonesia USD sovereign bond in April given their attractive valuation, and we remain comfortable with the financial standing of the two countries. The Fund subsequently took profit on the Indonesian USD sovereign bond position as yields fell, bringing valuations close to fair value. Instead, the Fund switched into Indonesia IDR government bond which offered better relative value. Elsewhere, the Fund also built a small exposure to Korea and Poland local government bonds where real yields appeared attractive.

Towards the end of the second quarter, the Fund established positions in US 30-year bond and Australia 10-Year bond futures as yields have spike up amid expectations of a strong economic recovery and rising inflation, and were looking attractive.

### **Outlook**

Massive monetary easing by major central banks has helped the global economy to stabilise from the Lehman induced slump. However, the global economy is probably recuperating rather than recovering strongly, in our opinion. The strong second quarter rally in equities has taken valuations back to "fair", or average, levels for most markets. There is a possibility that the massive government policy stimulus does succeed in restoring growth and generating inflation. In this scenario, real interest rates could fall back to negative levels and emerging market equities could rally to bubble valuations like they did in the early 1990s. However, we would ascribe a low probability to this scenario.

It appears that the economic growth momentum will likely fade over the coming months, and in this environment emerging markets may be vulnerable to a price correction, given the elevated growth expectations, valuations and overbought price momentum. In contrast, the long dated government bonds, particularly the 30-year US Treasury bond, could perform well under this scenario as this asset class also appears to have discounted a return to strong growth. Overall, with a highly uncertain economic outlook, equities do not seem that compelling and we believe that selected bond markets offer better opportunities for investors in the months ahead. Having said that, the Fund maintains its Turkey equity holding where valuation remains attractive and the long-term structural story is intact. In addition, we will look for opportunities to add to equities should valuations fall back to attractive levels.

## PRU GLOBAL POSITIONING STRATEGY FUND

### Fund Performance

(As at 30 June 2009)

Sub-Fund/Benchmark	3 months (%)	6 months (%)	Since inception* (%)
PRU Global Positioning Strategy Fund	1.5	5.7	-5.3
(USD 3-Month LIBOR +3%) per annum	-3.9	2.5	4.8

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

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

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

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

### Schedule of Investments

(As at 30 June 2009)

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets***
	<u>Luxembourg</u>		
	International Opportunities Funds – Global Market Navigator Class C		
236,305		3,079,176	99.54
<b>Total Investments</b>		<b>3,079,176</b>	<b>99.54</b>
Other Net Current Assets		14,212	0.46
<b>Total Net Assets Attributable to Unitholders</b>		<b>3,093,388</b>	<b>100.00</b>

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

## **PRU GLOBAL POSITIONING STRATEGY FUND**

(As at 30 June 2009)

### **Exposure to Derivatives**

Nil.

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

The Fund invests SGD 3,079,176, equivalent to 99.54% of its net asset value attributable to unitholders, in International Opportunities Funds - Global Market Navigator.

### **Borrowings**

Nil.

### **Related Party Transactions**

The Fund invests SGD 3,079,176 equivalent to 99.54% 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 period ended 30 June 2009**

	<b>SGD</b>
Subscriptions	799,241
Redemptions	224,347

### **Annualised Expense Ratio\*\***

4.86%

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

### **Turnover Ratio**

7.33%

## **PRU GLOBAL POSITIONING STRATEGY FUND**

(As at 30 June 2009)

### **Soft Dollar Commission**

Soft dollar arrangements have been undertaken by the Manager in respect of the sub-funds of the International Opportunities Funds (“underlying fund”) which the PRU Global Positioning Strategy Fund feeds into. Such softing services shall include specific advice as to the advisability of dealing in, or as to the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, the conduct of research or analysis, or analysis of trade execution, and custodial service in relation to the investments managed for clients.

Soft dollar arrangements have been undertaken by the Manager in respect of the underlying fund. The soft dollar arrangements relate essentially to the use of an analytical tool provided by a broker, ITG Hong Kong Limited (“ITG HK”) for the purpose of assessing and monitoring the efficiency of trade execution. 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.

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.

## INTERNATIONAL OPPORTUNITIES FUNDS – GLOBAL MARKET NAVIGATOR

### Top 10 Holdings

(As at 30 June 2009)

	Market Value USD	% of Net Assets***
United State Disc 17/9/09	2,998,782	21.36
iShare iBoxx \$ Investment Grade Corporate Bond	2,751,306	19.59
Poland Government Bond 5.5% 25/10/19	712,391	5.07
Turkey Government Inflation Linked Bond 10% 15/02/12	688,656	4.90
Russia Government International Bond 12.75% 24/06/28	667,400	4.75
Indonesia Government Bond 10% 15/09/24	504,705	3.59
iShare iBoxx \$ High Yield Corporate Bond	485,591	3.46
Korea Treasury Bond 5.5% 10/06/11	162,233	1.16
US Long Bond (CBT) Sep09 *	46,008	0.33
Australia 10yr Bond Future Sep09 *	3,276	0.02

\* As at 30 June 2009, the IOF – Global Market Navigator has the following open futures contracts:

Number of Contracts	Contract/Description	Expiration Date	Notional Amount USD
138	ISE 30 Futures	8/31/2009	418,386
8	Australia 10yr Bond Future	9/15/2009	609,374
31	US Long Bond (CBT)	9/21/2009	3,669,141

	Market Value USD	% of Net Assets***
<b>Credit Ratings (by S&amp;P's / Moody's)</b>		
AAA	2,998,782	21.36
A+	162,233	1.16
A	712,391	5.07
BB	688,656	4.90
BBB	667,400	4.75
Ba3	504,705	3.59
Not Rated	3,281,898	23.37

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

### Annualised Expense Ratio\*\*

1.41%

\*\* 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

75.29%

## INTERNATIONAL OPPORTUNITIES FUNDS – GLOBAL MARKET NAVIGATOR

### Schedule of Investments

(As at 30 June 2009)

	Market Value USD	% of Net Assets ***
<b>Country</b>		
Australia	3,276	0.02
Indonesia	504,705	3.59
Poland	712,391	5.07
Russian Federation	667,400	4.75
South Korea	162,233	1.16
Turkey	684,373	4.87
United States	6,281,687	44.74
<b>Asset Class</b>		
Equities	2,751,306	19.59
Futures	45,001	0.32
Government Bonds	712,391	5.07
Government Gilts	2,022,995	14.40
Mutual Fund	485,590	3.46
Treasury Bills	2,998,782	21.36
Other net current assets	5,025,860	35.80

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

## **FINANCIAL STATEMENTS**

For the half year ended 30 June 2009

	Page
Statement of Total Return	92 – 101
Balance Sheet	102 – 106
Portfolio Statement	107 – 122
Notes to the Financial Statements	123 – 143

## Prudential Unit Trusts

## Statement of Total Return

For the half year ended 30 June 2009

Note	PRU Global Technology Fund		PRU Pan European Fund	
	Half year ended 30/06/2009	Half year ended 30/06/2008	Half year ended 30/06/2009	Half year ended 30/06/2008
	S\$	S\$	S\$	S\$
<b>Income</b>				
Interest	-	376		509
Dividends	-	-	-	-
Other income	-	-	-	-
	-	376	-	509
<b>Less: Expenses</b>				
Management fees	167,742	405,944	120,976	218,842
Registration fees	6,931	(6,630)	8,680	9,542
Trustee fees	12,991	(40,733)	9,365	16,181
Custody fees	-	-	-	-
Audit fees	5,304	4,858	4,186	3,799
Preliminary expenses	-	-	-	-
Others	18,562	16,811	10,958	15,298
	211,530	380,250	154,165	263,662
<b>Net income/(losses)</b>	<b>(211,530)</b>	<b>(379,874)</b>	<b>(154,165)</b>	<b>(263,153)</b>
<b>Net gains or losses on value of investments</b>				
Net realised gains/ (losses) on investments sold	(442,433)	1,471,589	(1,150,633)	143,441
Net change in fair value on investments	14,865,436	(23,461,063)	7,872,957	(9,347,761)
Net change in fair value on financial derivative	-	-	-	-
Net foreign exchange gains/(losses)	-	-	-	-
<b>Net gains/(losses) on value of investments</b>	<b>14,423,003</b>	<b>(21,989,474)</b>	<b>6,722,324</b>	<b>(9,204,320)</b>

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

**Prudential Unit Trusts**

**Statement of Total Return**  
For the half year ended 30 June 2009

	PRU Global Technology Fund		PRU Pan European Fund	
	Half year ended	Half year ended	Half year ended	Half year ended
	Note 30/06/2009	30/06/2008	30/06/2009	30/06/2008
	S\$	S\$	S\$	S\$
<b>Total return/(deficit) for the period before income tax</b>	14,211,473	(22,369,348)	6,568,159	(9,467,473)
<b>Less: Income tax</b>	3 -	-	-	-
<b>Total return/(deficit) for the period after income tax before distribution</b>	14,211,473	(22,369,348)	6,568,159	(9,467,473)
<b>Less: Distribution</b>	-	-	-	-
<b>Total return/(deficit) for the period</b>	<b>14,211,473</b>	<b>(22,369,348)</b>	<b>6,568,159</b>	<b>(9,467,473)</b>

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

**Prudential Unit Trusts**
**Statement of Total Return**  
 For the half year ended 30 June 2009

	PRU Protected Global Titans Fund (S\$)		PRU Asian Balanced Fund	
	Half year ended 30/06/2009	Half year ended 30/06/2008	Half year ended 30/06/2009	Half year ended 30/06/2008
	S\$	S\$	S\$	S\$
<b>Income</b>				
Interest	2,867	31,334	-	7,187
Dividends	-	-	-	-
Other income	-	-	-	-
	<u>2,867</u>	<u>31,334</u>	<u>-</u>	<u>7,187</u>
<b>Less: Expenses</b>				
Management fees	62,198	42,851	1,567,960	2,007,365
Registration fees	8,967	5,113	11,166	10,770
Trustee fees	5,525	3,687	125,356	157,121
Custody fees	1,314	1,303	-	-
Audit fees	3,076	4,656	6,508	6,100
Preliminary expenses	-	-	-	-
Others	3,360	12,883	106,072	127,697
	<u>84,440</u>	<u>70,493</u>	<u>1,817,062</u>	<u>2,309,053</u>
<b>Net income/(losses)</b>	<b>(81,573)</b>	<b>(39,159)</b>	<b>(1,817,062)</b>	<b>(2,301,866)</b>
<b>Net gains or losses on value of investments</b>				
Net realised gains/ (losses) on investments sold	302,771	41,729	(14,897,498)	18,569,890
Net change in fair value on investments	138,139	92,419	154,501,933	129,909,674)
Net realised gains/ (losses) on financial derivative	(77,885)	465	-	-
Net change in fair value on financial derivative	59,783	39	-	-
Net foreign exchange gains/(losses)	(938)	(242)	11,141	(59,010)

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

**Prudential Unit Trusts**

**Statement of Total Return**  
For the half year ended 30 June 2009

	421,870	134,410	139,615,576	(111,398,794)
<b>Net gains/(losses) on value of investments</b>				
	<b>PRU Protected Global Titans Fund (S\$)</b>		<b>PRU Asian Balanced Fund</b>	
	<b>Half year ended</b>	<b>Half year ended</b>	<b>Half year ended</b>	<b>Half year ended</b>
<b>Note</b>	<b>30/06/2009</b>	<b>30/06/2008</b>	<b>30/06/2009</b>	<b>30/06/2008</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<b>Total return/(deficit) for the period before income tax</b>	340,297	95,251	137,798,514	(113,700,660)
<b>Less: Income tax</b>	3 -	-	-	-
<b>Total return/(deficit) for the period after income tax before distribution</b>	340,297	95,251	137,798,514	(113,700,660)
<b>Less: Distribution</b>	-	-	-	-
<b>Total return/(deficit) for the period</b>	<b>340,297</b>	<b>95,251</b>	<b>137,798,514</b>	<b>(113,700,660)</b>

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

**Prudential Unit Trusts**
**Statement of Total Return**  
 For the half year ended 30 June 2009

Note	PRU Dragon Peacock Fund		PRU Global Basics Fund	
	Half year ended	Half year ended	Half year ended	Half year ended
	30/06/2009	30/06/2008	30/06/2009	30/06/2008
	S\$	S\$	S\$	S\$
<b>Income</b>				
Interest	-	1,814	1	3,420
Dividends	8,484,824	10,235,620	-	-
Other income	-	-	-	-
	8,484,824	10,237,434	1	3,420
<b>Less: Expenses</b>				
Management fees	5,927,418	9,765,223	-	-
Registration fees	12,911	14,867	15,091	13,786
Trustee fees	157,969	264,992	68,392	121,657
Custody fees	33,868	89,656	-	-
Audit fees	6,430	9,679	4,315	5,921
Preliminary expenses	-	-	-	-
Others	141,104	232,763	46,114	105,109
	6,279,700	10,377,180	133,912	246,473
<b>Net income/(losses)</b>	<b>2,205,124</b>	<b>(139,746)</b>	<b>(133,911)</b>	<b>(243,053)</b>
<b>Net gains or losses on value of investments</b>				
Net realised gains/ (losses) on investments sold	(30,676,095)	31,756,979	(5,005,102)	1,311,251
Net change in fair value on investments	355,319,973	(601,731,595)	61,684,074	9,220,746
Net change in fair value on financial derivative	-	-	-	-
Net foreign exchange gains/(losses)	23,150	(119,888)	(54,900)	(199,440)
<b>Net gains/(losses) on value of investments</b>	<b>324,667,028</b>	<b>(570,094,504)</b>	<b>56,624,072</b>	<b>10,332,557</b>

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

**Prudential Unit Trusts**

**Statement of Total Return**  
For the half year ended 30 June 2009

	<b>PRU Dragon Peacock Fund</b>		<b>PRU Global Basics Fund</b>	
	<b>Half year ended</b>	<b>Half year ended</b>	<b>Half year ended</b>	<b>Half year ended</b>
	<b>30/06/2009</b>	<b>30/06/2008</b>	<b>30/06/2009</b>	<b>30/06/2008</b>
<b>Note</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<b>Total return/(deficit) for the period before income tax</b>	326,872,152	(570,234,250)	56,490,161	10,089,504
<b>Less: Income tax</b>	3 (747,692)	(2,178)	-	-
<b>Total return/(deficit) for the period after income tax before distribution</b>	326,124,460	(570,236,428)	56,490,161	10,089,504
<b>Less: Distribution</b>	-	-	-	-
<b>Total return/(deficit) for the period</b>	<b>326,124,460</b>	<b>(570,236,428)</b>	<b>56,490,161</b>	<b>10,089,504</b>

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

**Prudential Unit Trusts**
**Statement of Total Return**  
 For the half year ended 30 June 2009

Note	PRU Global Balanced Fund		PRU Asian Infrastructure Equity Fund	
	Half year ended 30/06/2009	Half year ended 30/06/2008	Half year ended 30/06/2009	Half year ended 30/06/2008
	S\$	S\$	S\$	S\$
<b>Income</b>				
Interest	-	2,451	1	21
Dividends	-	-	-	-
Other income	-	-	-	314
	-	2,451	1	335
<b>Less: Expenses</b>				
Management fees	29,836	42,361	17,791	83
Registration fees	9,655	7,249	3,646	41
Trustee fees	7,686	10,063	1,423	7
Custody fees	-	-	-	-
Audit fees	3,423	4,097	3,396	294
Preliminary expenses	-	-	(12,243)	37,522
Others	9,405	17,789	3,159	5
	60,005	81,559	17,172	37,952
<b>Net income/(losses)</b>	<b>(60,005)</b>	<b>(79,108)</b>	<b>(17,171)</b>	<b>(37,617)</b>
<b>Net gains or losses on value of investments</b>				
Net realised gains/ (losses) on investments sold	(3,150,004)	122,346	(95,369)	(3,167)
Net change in fair value on investments	7,011,738	264,823	1,539,418	(178,302)
Net change in fair value on financial derivative	-	-	-	-
Net foreign exchange gains/(losses)	(11,837)	(56,240)	(20,741)	(7,618)
<b>Net gains/(losses) on value of investments</b>	<b>3,849,897</b>	<b>330,929</b>	<b>1,423,308</b>	<b>(189,087)</b>

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

**Prudential Unit Trusts**

**Statement of Total Return**  
For the half year ended 30 June 2009

	PRU Global Balanced Fund		PRU Asian Infrastructure Equity Fund	
	Half year ended	Half year ended	Half year ended	Half year ended
	30/06/2009	30/06/2008	30/06/2009	30/06/2008
	S\$	S\$	S\$	S\$
<b>Total return/(deficit) for the period before income tax</b>	3,789,892	251,821	1,406,137	(226,704)
<b>Less: Income tax</b>	-	-	-	-
<b>Total return/(deficit) for the period after income tax before distribution</b>	3,789,892	251,821	1,406,137	(226,704)
<b>Less: Distribution</b>	-	-	-	-
<b>Total return/(deficit) for the period</b>	<b>3,789,892</b>	<b>251,821</b>	<b>1,406,137</b>	<b>(226,704)</b>

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

**Prudential Unit Trusts**
**Statement of Total Return**  
 For the half year ended 30 June 2009

Note	PRU Global Leaders Fund		PRU Global Positioning Strategy Fund	
	Half year ended 30/06/2009	Half year ended 30/06/2008	Half year ended 30/06/2009	Half year ended 30/06/2008
	S\$	S\$	S\$	S\$
<b>Income</b>				
Interest	-	-	-	-
Dividends	-	-	-	-
Other income	-	-	103	-
	-	-	103	-
<b>Less: Expenses</b>				
Management fees	(3,430)	-	7,514	-
Registration fees	1,968	-	2,041	-
Trustee fees	590	-	601	-
Custody fees	-	-	-	-
Audit fees	3,638	-	2,683	-
Preliminary expenses	350	-	-	-
Others	(2,087)	-	1,798	-
	1,029	-	14,637	-
<b>Net income/(losses)</b>	<b>(1,029)</b>	<b>-</b>	<b>(14,534)</b>	<b>-</b>
<b>Net gains or losses on value of investments</b>				
Net realised gains/(losses) on investments sold	(68,596)	-	(1,490)	-
Net change in fair value on investments	463,297	-	163,485	-
Net change in fair value on financial derivative	-	-	-	-
Net foreign exchange gains/(losses)	(2,174)	-	(2,197)	-
<b>Net gains/(losses) on value of investments</b>	<b>392,527</b>	<b>-</b>	<b>159,798</b>	<b>-</b>

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

**Prudential Unit Trusts**

**Statement of Total Return**  
For the half year ended 30 June 2009

	Note	PRU Global Leaders Fund		PRU Global Positioning Strategy Fund	
		Half year ended	Half year ended	Half year ended	Half year ended
		30/06/2009	30/06/2008	30/06/2009	30/06/2008
		S\$	S\$	S\$	S\$
Total return/(deficit) for the period before income tax		391,498	-	145,264	-
Less: Income tax	3	-	-	-	-
Total return/(deficit) for the period after income tax before distribution		391,498	-	145,264	-
Less: Distribution		-	-	-	-
Total return/(deficit) for the period		<b>391,498</b>	<b>-</b>	<b>145,264</b>	<b>-</b>

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

**Prudential Unit Trusts**

**Balance Sheet**  
As at 30 June 2009

	Note	PRU Global Technology Fund		PRU Pan European Fund	
		30/06/2009	31/12/2008	30/06/2009	31/12/2008
		S\$	S\$	S\$	S\$
<b>ASSETS</b>					
Portfolio of investments		69,243,196	55,083,194	48,813,312	43,123,989
Receivables	4	119,942	67,031	92,851	79,639
Financial derivatives, at fair value	5	-	-	-	-
Cash and bank balances		180,268	107,321	98,373	61,944
<b>Total assets</b>		<b>69,543,406</b>	<b>55,257,546</b>	<b>49,004,536</b>	<b>43,265,572</b>
<b>LIABILITIES</b>					
Payables	6	254,052	144,477	176,012	137,642
Financial derivatives, at fair value	5	-	-	-	-
Net assets attributable to unitholders	7	69,289,354	55,113,069	48,828,524	43,127,930
<b>Total liabilities</b>		<b>69,543,406</b>	<b>55,257,546</b>	<b>49,004,536</b>	<b>43,265,572</b>

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

**Prudential Unit Trusts**

**Balance Sheet**  
As at 30 June 2009

	Note	PRU Protected Global Titans Fund (S\$)		PRU Asian Balanced Fund	
		30/06/2009	31/12/2008	30/06/2009	31/12/2008
		S\$	S\$	S\$	S\$
<b>ASSETS</b>					
Portfolio of investments		26,511,812	24,709,722	692,929,764	522,212,837
Receivables	4	209,355	195,791	2,516,760	385,443
Financial derivatives, at fair value	5	64,857	131,439	-	-
Cash and bank balances		609,059	1,140,427	3,547,378	24,272,772
<b>Total assets</b>		<b>27,395,083</b>	<b>26,177,379</b>	<b>698,993,902</b>	<b>546,871,052</b>
<b>LIABILITIES</b>					
Payables	6	1,996,040	306,492	5,103,026	5,982,814
Financial derivatives, at fair value	5	5,074	-	-	-
Net assets attributable to unitholders	7	25,393,969	25,870,887	693,890,876	540,888,238
<b>Total liabilities</b>		<b>27,395,083</b>	<b>26,177,379</b>	<b>698,993,902</b>	<b>546,871,052</b>

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

**Prudential Unit Trusts**

**Balance Sheet**

As at 30 June 2009

	Note	PRU Dragon Peacock Fund		PRU Global Basics Fund	
		30/06/2009	31/12/2008	30/06/2009	31/12/2008
		S\$	S\$	S\$	S\$
<b>ASSETS</b>					
Portfolio of investments		1,005,280,207	601,821,901	361,263,605	308,610,831
Receivables	4	5,881,089	4,474,380	643,125	812,434
Financial derivatives, at fair value	5	-	-	-	-
Cash and bank balances		7,723,573	11,212,250	505,105	183,093
<b>Total assets</b>		<b><u>1,018,884,869</u></b>	<b><u>617,508,531</u></b>	<b><u>362,411,835</u></b>	<b><u>309,606,358</u></b>
<b>LIABILITIES</b>					
Payables	6	7,665,512	2,132,245	1,070,160	816,929
Financial derivatives, at fair value	5	-	-	-	-
Net assets attributable to unitholders	7	1,011,219,357	615,376,286	361,341,675	308,789,429
<b>Total liabilities</b>		<b><u>1,018,884,869</u></b>	<b><u>617,508,531</u></b>	<b><u>362,411,835</u></b>	<b><u>309,606,358</u></b>

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

**Prudential Unit Trusts**

**Balance Sheet**  
As at 30 June 2009

	Note	PRU Global Balanced Fund		PRU Asian Infrastructure Equity Fund	
		30/06/2009	31/12/2008	30/06/2009	31/12/2008
		S\$	S\$	S\$	S\$
<b>ASSETS</b>					
Portfolio of investments		37,492,530	37,336,340	8,941,085	5,063,705
Receivables	4	224,703	821,954	34,957	44,061
Financial derivatives, at fair value	5	-	-	-	-
Cash and bank balances		156,658	370,756	51,675	37,711
<b>Total assets</b>		<b>37,873,891</b>	<b>38,529,050</b>	<b>9,027,717</b>	<b>5,145,477</b>
<b>LIABILITIES</b>					
Payables	6	351,581	888,672	76,647	66,814
Financial derivatives, at fair value	5	-	-	-	-
Net assets attributable to unitholders	7	37,522,310	37,640,378	8,951,070	5,078,663
<b>Total liabilities</b>		<b>37,873,891</b>	<b>38,529,050</b>	<b>9,027,717</b>	<b>5,145,477</b>

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

**Prudential Unit Trusts**

**Balance Sheet**  
As at 30 June 2009

	Note	PRU Global Leaders Fund		PRU Global Positioning Strategy Fund	
		30/06/2009	31/12/2008	30/06/2009	31/12/2008
		S\$	S\$	S\$	S\$
<b>ASSETS</b>					
Portfolio of investments		3,089,766	2,536,215	3,079,176	2,358,302
Receivables	4	11,630	45,460	14,683	44,950
Financial derivatives, at fair value	5	-	-	-	-
Cash and bank balances		48,896	33,071	23,102	25,851
<b>Total assets</b>		<b>3,150,292</b>	<b>2,614,746</b>	<b>3,116,961</b>	<b>2,429,103</b>
<b>LIABILITIES</b>					
Payables	6	49,883	35,308	23,573	55,873
Financial derivatives, at fair value	5	-	-	-	-
Net assets attributable to unitholders	7	3,100,409	2,579,438	3,093,388	2,373,230
<b>Total liabilities</b>		<b>3,150,292</b>	<b>2,614,746</b>	<b>3,116,961</b>	<b>2,429,103</b>

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

As at 30 June 2009

**PRU Global Technology Fund**

	Holdings 30/06/2009 (units)	Fair Value 30/06/2009 (S\$)	Percentage of total net assets attributable to unitholders	
			30/06/2009 (%)	31/12/2008 (%)
<b>Underlying Fund</b>				
International Opportunities Funds:				
- Global Technology Class C	15,353,259	69,243,196	99.93	99.95
<b>Portfolio of investments</b>		69,243,196	99.93	99.95
<b>Other net current assets</b>		46,158	0.07	0.05
<b>Net assets attributable to unitholders</b>		69,289,354	100.00	100.00

**PRU Pan European Fund**

	Holdings 30/06/2009 (units)	Fair Value 30/06/2009 (S\$)	Percentage of total net assets attributable to unitholders	
			30/06/2009 (%)	31/12/2008 (%)
<b>Underlying Fund</b>				
International Opportunities Funds:				
- Pan European Class C	4,941,119	48,813,312	99.97	99.99
Portfolio of investments		48,813,312	99.97	99.99
Other net current assets		15,212	0.03	0.01
<b>Net assets attributable to unitholders</b>		48,828,524	100.00	100.00

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

As at 30 June 2009

**PRU Asian Balanced Fund**

	Holdings 30/06/2009 (units)	Fair Value 30/06/2009 (S\$)	Percentage of total net assets attributable to unitholders	
			30/06/2009 (%)	31/12/2008 (%)
<b>Underlying Fund</b>				
International Opportunities Funds:				
- Asian Equity Class C	8,662,864	326,507,160	47.05	51.58
- US High Investment Grade Bond Class B	11,601,177	207,569,887	29.91	30.77
- US Investment Grade Bond Class B	7,929,643	158,852,717	22.89	14.20
<b>Portfolio of investments</b>		692,929,764	99.85	96.55
<b>Other net current assets</b>		961,112	0.15	3.45
<b>Net assets attributable to unitholders</b>		693,890,876	100.00	100.00

**PRU Global Basics Fund**

	Holdings 30/06/2009 (units)	Fair Value 30/06/2009 (S\$)	Percentage of total net assets attributable to unitholders	
			30/06/2009 (%)	31/12/2008 (%)
<b>Underlying Fund</b>				
M&G Investment Fund (1)				
- Global Basics Fund Net Accumulation Shares in Sterling Class A	23,926,402	361,263,605	99.98	99.94
Portfolio of investments		361,263,605	99.98	99.94
Other net current assets		78,070	0.02	0.06
<b>Net assets attributable to unitholders</b>		361,341,675	100.00	100.00

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

As at 30 June 2009

**PRU Global Balanced Fund**

	Holdings 30/06/2009 (units)	Fair Value 30/06/2009 (S\$)	Percentage of total net assets attributable to unitholders	
			30/06/2009 (%)	31/12/2008 (%)
<b>Underlying Fund</b>				
M&G Investment Fund (1)				
- Global Basics Fund Net Accumulation Shares in Sterling Class A	1,478,903	22,329,885	59.51	59.98
Legal Mason Global Bond Trust	12,562,258	15,162,645	40.41	39.21
Portfolio of investments		37,492,530	99.92	99.19
Other net current assets		29,780	0.08	0.81
<b>Net assets attributable to unitholders</b>		<b>37,522,310</b>	<b>100.00</b>	<b>100.00</b>

**PRU Asian Infrastructure Equity Fund**

	Holdings 30/06/2009 (units)	Fair Value 30/06/2009 (S\$)	Percentage of total net assets attributable to unitholders	
			30/06/2009 (%)	31/12/2008 (%)
<b>Underlying Fund</b>				
International Opportunities Funds:				
- Asian Infrastructure Equity Class C	746,713	8,941,085	99.89	99.71
Portfolio of investments		8,941,085	99.89	99.71
Other net current assets		9,985	0.11	0.29
<b>Net assets attributable to unitholders</b>		<b>8,951,070</b>	<b>100.00</b>	<b>100.00</b>

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

As at 30 June 2009

**PRU Global Leaders Fund**

Holdings 30/06/2009 (units)	Fair Value 30/06/2009 (S\$)	Percentage of total net assets attributable to unitholders		
		30/06/2009 (%)	31/12/2008 (%)	
<b>Underlying Fund</b>				
M&G Investment Funds - Global Leaders Fund Euro Class A shares	177,170	3,089,766	99.66	98.32
Portfolio of investments		3,089,766	99.66	98.32
Other net current assets		10,643	0.34	1.68
<b>Net assets attributable to unitholders</b>		<b>3,100,409</b>	<b>100.00</b>	<b>100.00</b>

**PRU Global Positioning Strategy Fund**

Holdings 30/06/2009 (units)	Fair Value 30/06/2009 (S\$)	Percentage of total net assets attributable to unitholders		
		30/06/2009 (%)	31/12/2008 (%)	
<b>Underlying Fund</b>				
International Opportunities Funds - Global Market Navigator Class C	236,305	3,079,176	99.54	99.37
Portfolio of investments		3,079,176	99.54	99.37
Other net current assets		14,212	0.46	0.63
<b>Net assets attributable to unitholders</b>		<b>3,093,388</b>	<b>100.00</b>	<b>100.00</b>

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

As at 30 June 2009

By Geography* - Primary	PRU Protected Global Titans Fund (\$)		
	Holdings 30/06/2009 (units)	Fair Value 30/06/2009 (\$)	Percentage of total net assets attributable to unitholders 30/06/2009 (%)
<b>Quoted bonds</b>			
<b>Australia</b>			
Westfield Capital Corporation Series 4.375% 15/11/2010	750,000	1,050,215	4.14
		1,050,215	4.14
<b>Great Britain</b>			
Standard Chartered PLC EMTN 2.48% 07/04/2010	500,000	499,197	1.96
		499,197	1.96
<b>Malaysia</b>			
Misc Capital Ltd Series 5% 01/07/2009	500,000	741,789	2.92
		741,789	2.92
<b>New Zealand</b>			
ANZ National (International) Limited EMTN 3.22% 08/07/2010	500,000	504,365	1.99
BNZ International Funding Limited GMTN 3.24% 28/07/2010	500,000	511,145	2.01
		1,015,510	4.00
<b>Singapore</b>			
Allgreen Properties Limited MTN 3% 12/08/2009	1,000,000	1,011,535	3.98
Ascendas Real Estate Investment MTN 4.75% 29/04/2011	750,000	750,831	2.96
Ascott Capital Pte Limited MTN 3.1% 05/03/2010	750,000	758,203	2.99

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

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

As at 30 June 2009

By Geography* - Primary (Continued)	PRU Protected Global Titans Fund (\$\$)		
	Holdings 30/06/2009 (units)	Fair Value 30/06/2009 (\$\$)	Percentage of total net assets attributable to unitholders 30/06/2009 (%)
Capitacommercial Trust MTN 3.15% 24/01/2011	500,000	495,883	1.95
Capitaland Commercial Limited MTN 4.4% 03/03/2011	1,000,000	1,024,965	4.04
CCT MTN Pte Limited Series MTN 3.05% 17/03/2010	250,000	249,927	0.98
CCT MTN Pte Limited Series MTN 3.85% 20/08/2010	1,000,000	1,007,168	3.97
City Developments Limited MTN 3.18% 03/12/2009	1,000,000	1,001,489	3.94
CMT MTN Pte Limited MTN 3.25% 01/04/2010	750,000	752,514	2.96
Development Bank of Singapore Series 7.875% 10/08/2009	750,000	1,121,143	4.41
Frasers Centrepoint Limited MTN 4.045% 14/03/2011	250,000	252,420	0.99
HK Land Treasury Series 3.01% 04/10/2010	500,000	501,835	1.98
Hotel Properties Limited MTN 2.945% 07/08/2009	750,000	758,016	2.99
HSBC Singapore EMTN 3.36% 22/11/2010	250,000	248,104	0.98
Keppel Land Limited MTN 3% 07/05/2010	500,000	503,010	1.98
Keppel Land Limited Series MTN 3.76% 14/03/2011	500,000	511,916	2.02
Mapletreelog Treasury Company MTN 3.8% 12/03/2010	1,000,000	1,014,052	3.99
Mapletreelog Treasury Company MTN 3.81% 19/10/2009	1,000,000	1,011,200	3.98

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

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

As at 30 June 2009

By Geography* - Primary (Continued)	PRU Protected Global Titans Fund (\$)		
	Holdings 30/06/2009 (units)	Fair Value 30/06/2009 (\$)	Percentage of total net assets attributable to unitholders 30/06/2009 (%)
Midpoint Properties MTN 3.33% 01/04/2010	750,000	757,996	2.98
Midpoint Properties Series MTN 3.75% 04/07/2011	750,000	754,508	2.97
Sun Hung Kai Properties MTN 3.69% 06/11/2009	1,000,000	1,010,031	3.98
Sunshine Assets Limited MTN 2.78% 11/02/2011	1,250,000	1,235,829	4.87
		<u>16,732,575</u>	<u>65.89</u>
<b>South Korea</b>			
Export-Import Bank of Korea EMTN 2.55% 21/07/2009	500,000	505,664	1.99
Export-Import Bank of Korea EMTN 4.85% 28/04/2010	1,000,000	1,019,583	4.02
Hana Bank EMTN 3.53% 16/06/2010	750,000	758,288	2.99
Industrial Bank of Korea EMTN 2.665% 17/09/2009	750,000	755,122	2.97
Korea Development Bank EMTN 4.75% 20/07/2009	400,000	590,596	2.32
Shinhan Bank EMTN 3.78% 17/06/2010	750,000	743,273	2.93
		<u>4,372,526</u>	<u>17.22</u>

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

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

As at 30 June 2009

	<b>PRU Protected Global Titans Fund (\$)</b>		
	<b>Holdings</b>	<b>Fair Value</b>	<b>Percentage of total net assets attributable to unitholders</b>
<b>By Geography* - Primary (Continued)</b>	<b>30/06/2009</b>	<b>30/06/2009</b>	<b>30/06/2009</b>
	<b>(units)</b>	<b>(\$)</b>	<b>(%)</b>
<b>Time deposits</b>			
<b>Singapore</b>			
Credit Suisse First Boston, Singapore Branch		2,100,000	8.27
		<u>2,100,000</u>	<u>8.27</u>
<b>Portfolio of investments</b>		26,511,812	104.40
<b>Other net current liabilities</b>		<u>(1,117,843)</u>	<u>(4.40)</u>
<b>Net assets attributable to unitholders</b>		<u>25,393,969</u>	<u>100.00</u>

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

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

As at 30 June 2009

	PRU Protected Global Titans Fund (S\$)	
	Percentage of total net assets attributable to unitholders	
<b>By Geography* (summary) - Primary</b>	<b>30/06/2009</b>	<b>31/12/2008</b>
	(%)	(%)
Australia	4.14	5.75
Cayman Islands	-	1.96
Great Britain	1.96	-
Malaysia	2.92	2.86
New Zealand	4.00	2.95
Singapore	74.16	58.55
South Korea	17.22	16.62
United Arab Emirates	-	1.93
United States of America	-	4.89
<b>Portfolio of investments</b>	<b>104.40</b>	<b>95.51</b>
<b>Other net current (liabilities)/assets</b>	<b>(4.40)</b>	<b>4.49</b>
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	<b>100.00</b>

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

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

As at 30 June 2009

By Industry - Secondary	PRU Protected Global Titans Fund (\$)		
	Fair Value 30/06/2009 (\$)	Percentage of total net assets attributable to unitholders	
		30/06/2009 (%)	31/12/2008 (%)
Banks	9,356,480	36.84	41.16
Diversified financial services	3,245,438	12.78	15.57
Finance	1,050,215	4.14	4.90
Industrials	-	-	1.98
Leisure	758,016	2.99	2.92
Petrol	-	-	2.91
Real estate	8,087,908	31.85	13.53
Real estate investment trusts	3,271,966	12.88	3.93
Telecom service	-	-	5.75
Transport-Rail	741,789	2.92	2.86
<b>Portfolio of investments</b>	<b>26,511,812</b>	<b>104.40</b>	<b>95.51</b>
<b>Other net current (liabilities)/assets</b>	<b>(1,117,843)</b>	<b>(4.40)</b>	<b>4.49</b>
<b>Net assets attributable to unitholders</b>	<b>25,393,969</b>	<b>100.00</b>	<b>100.00</b>

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

As at 30 June 2009

<b>PRU Dragon Peacock Fund</b>			
<b>By Geography* - Primary</b>	<b>Holdings</b>	<b>Fair Value</b>	<b>Percentage of total net assets attributable to unitholders</b>
	<b>30/06/2009 (units)</b>	<b>30/06/2009 (S\$)</b>	<b>30/06/2009 (%)</b>
<b>Quoted shares</b>			
<b>Cayman Islands</b>			
AAC Acoustic Technology Holdings Inc	16,656,000	19,161,101	1.89
		19,161,101	1.89
<b>China</b>			
Anhui Conch Cement Company Limited	848,000	7,672,885	0.76
Bank of China Limited	93,606,000	64,331,035	6.36
Beijing Capital International Airport Company Limited	6,546,000	6,589,217	0.65
BYD Company Limited	6,648,900	38,554,976	3.81
China Petroleum & Chemical Corporation	24,439,000	26,882,383	2.66
China Shenhua Energy Company Limited	3,643,500	19,290,384	1.91
Focus Media Holding Limited	1,503,700	17,498,097	1.73
Fosun International Limited	14,122,000	12,685,580	1.25
Industrial and Commercial Bank of China Company Limited	65,172,000	65,723,978	6.50
Li Ning Company Limited	3,165,000	13,269,638	1.31
Ping An Insurance (Group) Company of China Limited	2,041,000	19,973,001	1.98
Sino-Ocean Land Holdings Limited	8,679,500	14,442,469	1.43
Sohu.com Inc	167,600	15,228,912	1.51
Travelsky Technology Limited	12,627,000	10,139,993	1.00
		332,282,548	32.86

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

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

As at 30 June 2009

## PRU Dragon Peacock Fund

By Geography* - Primary (continue)	Holdings	Fair Value	Percentage of total net assets attributable to unitholders
	30/06/2009 (units)	30/06/2009 (S\$)	30/06/2009 (%)
<b>Hong Kong</b>			
China Mobile Limited	3,327,000	48,215,154	4.77
China Resources Land Limited	3,724,000	11,976,002	1.18
China Unicom (Hong Kong) Limited	9,543,990	18,358,459	1.82
China Zhongwang Holdings Limited	7,276,400	14,404,277	1.42
CNOOC Limited	15,212,000	27,301,011	2.70
Franshion Properties China Limited	21,318,000	10,550,216	1.05
Gome Electrical Appliances Holdings Limited	37,408,000	13,273,551	1.31
Huabao International Holdings Limited	8,645,000	11,963,334	1.18
		156,042,004	15.43

## Quoted shares

## India (Note 1)

Axis Bank Limited	652,556	16,304,819	1.61
Bharat Heavy Electricals Limited	133,074	8,861,502	0.88
Bharat Petroleum Corporation Limited	1,048,040	13,618,836	1.35
Bharti Airtel Limited	540,693	13,103,853	1.30
Cairn India Npv	1,473,349	10,360,674	1.02
DLF Limited	1,316,173	12,359,095	1.22
Dr Reddy's Laboratories Limited	512,729	12,083,011	1.19
Gail India Limited	2,010,042	17,511,275	1.73
HDFC Bank Limited	799,436	36,064,492	3.57

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

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

As at 30 June 2009

<b>PRU Dragon Peacock Fund</b>			
<b>By Geography* - Primary (continue)</b>	<b>Holdings</b>	<b>Fair Value</b>	<b>Percentage of total net assets attributable to unitholders</b>
	<b>30/06/2009 (units)</b>	<b>30/06/2009 (S\$)</b>	<b>30/06/2009 (%)</b>
Hero Honda Motors Limited	431,841	18,201,464	1.80
Housing Development Finance Corporation Limited	313,623	22,217,600	2.20
ICICI Bank Limited	1,043,838	22,776,305	2.25
Infosys Technologies Limited	1,217,880	65,367,578	6.46
Infrastructure Development Finance Company Limited	5,477,177	22,522,033	2.23
ITC Limited	863,056	4,973,890	0.49
Jindal Steel & Power Limited	329,087	24,765,225	2.45
Larsen & Toubro Limited	597,848	28,318,753	2.80
Maruti Suzuki India Limited	518,456	16,744,107	1.66
Oil & Natural Gas Corporation Limited	399,846	12,893,533	1.27
Reliance Industries Limited	1,021,414	62,441,918	6.17
Sterlite Industries (India) Limited	1,057,327	19,390,576	1.92
Tata Power Co Limited	592,898	20,606,426	2.04
Union Bank of India Limited	961,570	7,033,450	0.70
		<hr/> 488,520,415	<hr/> 48.31
Other net current assets of Dragon Peacock Investments Limited		9,274,139	0.92
Net Assets of Dragon Peacock Investments Limited		<hr/> 497,794,554	<hr/> 49.23
<b>Portfolio of investments</b>		1,005,280,207	99.41
<b>Other net current assets</b>		5,939,150	0.59
<b>Net assets attributable to unitholders</b>		<hr/> <b>1,011,219,357</b>	<hr/> <b>100.00</b>

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

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

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

As at 30 June 2009

<b>By Geography* (summary) - Primary</b>	<b>PRU Dragon Peacock Fund</b>	
	<b>Percentage of total net assets attributable to unitholders</b>	
	<b>30/06/2009</b>	<b>31/12/2008</b>
	<b>(%)</b>	<b>(%)</b>
Cayman Islands	1.89	1.79
China	32.86	29.12
Hong Kong	15.43	21.17
India	49.23	45.72
<b>Portfolio of investments</b>	<b>99.41</b>	<b>97.80</b>
<b>Other net current assets</b>	<b>0.59</b>	<b>2.20</b>
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	<b>100.00</b>

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

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

As at 30 June 2009

By Industry - Secondary	PRU Dragon Peacock Fund		
	Fair Value 30/06/2009 (S\$)	Percentage of total net assets attributable to unitholders	
		30/06/2009 (%)	31/12/2008 (%)
Advertising	17,498,097	1.73	1.12
Agriculture	4,973,891	0.49	3.80
Auto & trucks	16,744,107	1.66	1.59
Banks	234,451,679	23.18	19.11
Cement	7,672,885	0.76	1.13
Chemical	62,441,918	6.17	5.66
Consumer	25,232,972	2.50	3.42
Diversified resource	32,664,126	3.23	1.12
E-Commerce	-	-	0.78
Electronics	48,629,029	4.81	7.98
Engineering & construction	28,318,753	2.80	1.32
Finance	22,522,033	2.23	0.49
Gas	17,511,275	1.73	1.64
Insurance	19,973,001	1.98	1.70
Internet software	90,736,483	8.97	6.94
Manufacturing	51,240,556	5.07	6.85
Medical-drugs	12,083,011	1.19	-
Metal products	14,404,277	1.42	-
Mining	19,290,384	1.91	1.98
Motor	18,201,464	1.80	-
Petrol	91,056,438	9.00	10.90
Power	24,765,224	2.45	1.22
Real estate	49,327,782	4.88	1.89
Telecom service	79,677,466	7.88	12.96
Transport	6,589,217	0.65	2.74
	996,006,068	98.49	96.34

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

As at 30 June 2009

	PRU Dragon Peacock Fund		
	Fair Value	Percentage of total net assets attributable to unitholders	
By Industry - Secondary	30/06/2009	30/06/2009	31/12/2008
	(S\$)	(%)	(%)
Net Assets of Dragon Peacock Investments Limited	9,274,139	0.92	1.46
Portfolio of investments	1,005,280,207	99.41	97.80
Other net current assets	5,939,150	0.59	2.20
<b>Net assets attributable to unitholders</b>	<b>1,011,219,357</b>	<b>100.00</b>	<b>100.00</b>

*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 30 June 2009, the Trust had the following sub-funds:

<b><u>Sub-fund</u></b>	<b><u>Launch date</u></b>	<b><u>Underlying investments</u></b>
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

**1 Principal activities (continue)**

<b><u>Sub-fund</u></b>	<b><u>Launch date</u></b>	<b><u>Underlying investments</u></b>
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

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 Index<sup>SM</sup> while, at the same time, protecting the net asset value of the sub-fund within each floor period.

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

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

**2 Summary of significant accounting policies****2.1 Basis of preparation**

The financial statements (expressed in Singapore dollars), are prepared in accordance with the historical cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

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

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

**2.2 Recognition of income**

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

**2.3 Distribution policy**

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

**2.4 Investments**

Investments in underlying funds and securities are stated at fair value based on the last bid price as at the balance sheet date. The unrealised difference between the fair value and original cost is taken directly to the Statement of Total Return. All realised gains and losses on disposal of investments are computed on the basis of the difference between weighted average cost and selling price and are taken directly to the Statement of Total Return.

**2.4 Investments (continue)**

Investments in options on stock market indices are initially recognised at cost and are subsequently revalued at their fair values. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate. All options are carried in assets when amounts are receivable and in liabilities when amounts are payable. Changes in fair values of derivatives are included in the Statement of Total Return.

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

**2.5 Foreign currencies**

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

**2.6 Units**

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

**2.7 Financial derivatives**

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

### 3 Taxation

The Trust is a designated unit trust under the Singapore Income Tax Act (Chapter 134). As a result, the following income will not be taxed at the Trust level on:

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

	<b>PRU Dragon Peacock Fund</b>	
	<b>30/06/2009</b>	<b>30/06/2008</b>
	<b>S\$</b>	<b>S\$</b>
Overseas income suffered	747,692	2,178

### 4 Receivables

	<b>PRU Global Technology Fund</b>		<b>PRU Pan European Fund</b>	
	<b>30/06/2009</b>	<b>31/12/2008</b>	<b>30/06/2009</b>	<b>31/12/2008</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Amount receivable from the creation of units	100,870	22,841	32,795	30,460
Sales awaiting settlement	5,000	31,000	50,000	39,000
Miscellaneous receivables	14,072	13,190	10,056	10,179
	119,942	67,031	92,851	79,639
	<b>PRU Protected Global Titans Fund (S\$)</b>		<b>PRU Asian Balanced Fund</b>	
	<b>30/06/2009</b>	<b>31/12/2008</b>	<b>30/06/2009</b>	<b>31/12/2008</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Amount receivable from the creation of units	205,718	195,015	2,516,760	384,843
Sales awaiting settlement	-	-	-	-
Interest receivables	28	176	-	-
Miscellaneous receivables	3,609	600	-	600
	209,355	195,791	2,516,760	385,443

## 4 Receivables (continue)

	<b>PRU Dragon Peacock Fund</b>		<b>PRU Global Basics Fund</b>	
	<b>30/06/2009</b>	<b>31/12/2008</b>	<b>30/06/2009</b>	<b>31/12/2008</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Amount receivable from the creation of units	2,796,387	4,473,780	519,121	583,323
Sales awaiting settlement	-	-	123,381	225,090
Miscellaneous receivables	3,084,702	600	623	4,021
	<b>5,881,089</b>	<b>4,474,380</b>	<b>643,125</b>	<b>812,434</b>

	<b>PRU Global Balanced Fund</b>		<b>PRU Asian Infrastructure Equity Fund</b>	
	<b>30/06/2009</b>	<b>31/12/2008</b>	<b>30/06/2009</b>	<b>31/12/2008</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Amount receivable from the creation of units	187,601	627,117	34,957	41,022
Sales awaiting settlement	-	154,921	-	2,993
Miscellaneous receivables	37,102	39,916	-	46
	<b>224,703</b>	<b>821,954</b>	<b>34,957</b>	<b>44,061</b>

	<b>PRU Global Leaders Fund</b>		<b>PRU Global Positioning Strategy Fund</b>	
	<b>30/06/2009</b>	<b>31/12/2008</b>	<b>30/06/2009</b>	<b>31/12/2008</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Amount receivable from the creation of units	7,739	3,128	14,683	7,879
Sales awaiting settlement	1,990	7,894	-	37,071
Miscellaneous receivables	1,901	34,438	-	-
	<b>11,630</b>	<b>45,460</b>	<b>14,683</b>	<b>44,950</b>

**5 Fair value of financial derivatives**

As on 30 June 2009	PRU Protected Global Titans Fund (S\$)		
	Contract or underlying principal amount	Positive fair value	Negative fair value
Forward foreign exchange contracts	3,544,565	64,857	5,074
As on 31 December 2008			
	Contract or underlying principal amount	Positive fair value	Negative fair value
Forward foreign exchange contracts	3,964,415	131,439	-

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

**6 Payables**

	PRU Global Technology Fund		PRU Pan European Fund	
	30/06/2009	31/12/2008	30/06/2009	31/12/2008
	S\$	S\$	S\$	S\$
Payable to unitholders for cancellation of units	40,876	16,890	113,078	51,701
Purchases awaiting settlement	156,000	72,000	21,000	44,000
Accrued expenses	57,176	55,587	41,934	41,941
	<u>254,052</u>	<u>144,477</u>	<u>176,012</u>	<u>137,642</u>

## 6 Payables (continue)

	PRU Protected Global Titans Fund (S\$)		PRU Asian Balanced Fund	
	30/06/2009	31/12/2008	30/06/2009	31/12/2008
	S\$	S\$	S\$	S\$
Payable to unitholders for cancellation of units	348,944	273,908	4,759,176	1,364,344
Purchases awaiting settlement	1,623,803	-	-	4,322,250
Accrued expenses	23,160	32,584	343,850	283,770
Other payables	133	-	-	12,450
	<u>1,996,040</u>	<u>306,492</u>	<u>5,103,026</u>	<u>5,982,814</u>

	PRU Dragon Peacock Fund		PRU Global Basics Fund	
	30/06/2009	31/12/2008	30/06/2009	31/12/2008
	S\$	S\$	S\$	S\$
Payable to unitholders for cancellation of units	6,197,791	1,083,471	728,167	689,372
Purchases awaiting settlement	-	-	270,333	40,325
Accrued expenses	1,467,721	1,048,774	69,989	86,595
Other payables	-	-	1,671	637
	<u>7,665,512</u>	<u>2,132,245</u>	<u>1,070,160</u>	<u>816,929</u>

	PRU Global Balanced Fund		PRU Asian Infrastructure Equity Fund	
	30/06/2009	31/12/2008	30/06/2009	31/12/2008
	S\$	S\$	S\$	S\$
Payable to unitholders for cancellation of units	323,243	852,463	23,042	1,022
Purchases awaiting settlement	-	-	45,638	40,996
Accrued expenses	28,338	36,209	7,605	24,727
Other payables	-	-	362	69
	<u>351,581</u>	<u>888,672</u>	<u>76,647</u>	<u>66,814</u>

## 6 Payables (continue)

	PRU Global Leaders Fund		PRU Global Positioning Strategy Fund	
	30/06/2009	31/12/2008	30/06/2009	31/12/2008
	S\$	S\$	S\$	S\$
Payable to unitholders for cancellation of units	35,419	2,618	3,205	36,556
Purchases awaiting settlement	10,909	17,764	15,844	12,960
Accrued expenses	3,464	14,690	4,368	6,204
Other payables	91	236	156	153
	<u>49,883</u>	<u>35,308</u>	<u>23,573</u>	<u>55,873</u>

## 7 Net assets attributable to unitholders

	PRU Global Technology Fund		PRU Pan European Fund	
	30/06/2009	31/12/2008	30/06/2009	31/12/2008
	S\$	S\$	S\$	S\$
<b>At the beginning of financial period/year</b>	<u>55,113,069</u>	<u>116,358,808</u>	<u>43,127,930</u>	<u>82,638,375</u>
<b>Operations</b>				
Change in net assets attributable to unitholders resulting from operations	<u>14,211,473</u>	<u>(51,148,842)</u>	<u>6,568,159</u>	<u>(38,548,688)</u>
<b>Unitholders' contributions/ (withdrawals)</b>				
Creation of units	<u>1,982,487</u>	<u>7,822,008</u>	<u>1,577,037</u>	<u>15,319,887</u>
Cancellation of units	<u>(2,017,675)</u>	<u>(17,918,905)</u>	<u>(2,444,602)</u>	<u>(16,281,644)</u>
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	<u>(35,188)</u>	<u>(10,096,897)</u>	<u>(867,565)</u>	<u>(961,757)</u>
Total increase/(decrease) in net assets attributable to unitholders	<u>14,176,285</u>	<u>(61,245,739)</u>	<u>5,700,594</u>	<u>(39,510,445)</u>
<b>At the end of financial period/year</b>	<u>69,289,354</u>	<u>55,113,069</u>	<u>48,828,524</u>	<u>43,127,930</u>
<b>Units in issue (number)</b>	<u>174,058,081</u>	<u>174,004,328</u>	<u>56,577,346</u>	<u>57,721,204</u>
<b>Net assets attributable to unitholders per unit (S\$)</b>	<u>0.40</u>	<u>0.32</u>	<u>0.86</u>	<u>0.75</u>

## 7 Net assets attributable to unitholders (continue)

	PRU Protected Global Titans Fund (S\$)		PRU Asian Balanced Fund	
	30/06/2009 S\$	31/12/2008 S\$	30/06/2009 S\$	31/12/2008 S\$
<b>At the beginning of financial period/year</b>	25,870,887	16,009,087	540,888,238	756,455,951
<b>Operations</b>				
Change in net assets attributable to unitholders resulting from operations	340,297	372,600	137,798,514	(272,054,309)
<b>Unitholders' contributions/ (withdrawals)</b>				
Creation of units	6,970,060	40,330,457	46,544,694	278,410,235
Cancellation of units	(7,787,275)	(30,841,257)	(31,340,570)	(221,923,639)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(817,215)	9,489,200	15,204,124	56,486,596
Total increase/(decrease) in net assets attributable to unitholders	(476,918)	9,861,800	5,700,594	(39,510,445)
<b>At the end of financial period/year</b>	25,393,969	25,870,887	693,890,876	540,888,238
<b>Units in issue (number)</b>	21,869,136	22,572,920	473,057,307	461,786,639
<b>Net assets attributable to unitholders per unit (S\$)</b>	1.16	1.15	1.47	1.17

## 7 Net assets attributable to unitholders (continue)

	PRU Dragon Peacock Fund		PRU Global Basics Fund	
	30/06/2009 S\$	31/12/2008 S\$	30/06/2009 S\$	31/12/2008 S\$
<b>At the beginning of financial period/year</b>	615,376,286	1,448,035,970	308,789,429	558,420,258
<b>Operations</b>				
Change in net assets attributable to unitholders resulting from operations	326,124,460	(880,185,559)	56,490,161	(293,130,426)
<b>Unitholders' contributions/ (withdrawals)</b>				
Creation of units	132,586,739	506,790,126	15,607,989	218,648,256
Cancellation of units	(62,868,128)	(459,264,251)	(19,545,904)	(175,148,659)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	69,718,611	47,525,875	(3,937,915)	43,499,597
Total increase/ (decrease) in net assets attributable to unitholders	395,843,071	(832,659,684)	52,552,246	(249,630,829)
<b>At the end of financial period/year</b>	1,011,219,357	615,376,286	361,341,675	308,789,429
<b>Units in issue (number)</b>	490,605,659	448,656,118	407,834,153	412,560,968
<b>Net assets attributable to unitholders per unit (S\$)</b>	2.06	1.37	0.89	0.75

## 7 Net assets attributable to unitholders (continue)

	PRU Global Balanced Fund		PRU Asian Infrastructure Equity Fund	
	30/06/2009 S\$	31/12/2008 S\$	30/06/2009 S\$	31/12/2008 S\$
<b>At the beginning of financial period/year</b>	37,640,378	32,087,980	5,078,663	-
<b>Operations</b>				
Change in net assets attributable to unitholders resulting from operations	3,789,892	(19,224,766)	1,406,137	(1,032,590)
<b>Unitholders' contributions/ (withdrawals)</b>				
Creation of units	7,728,387	217,087,964	3,455,158	6,857,460
Cancellation of units	(11,636,347)	(192,310,800)	(988,888)	(746,207)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(3,907,960)	24,777,164	2,466,270	6,111,253
Total increase/(decrease) in net assets attributable to unitholders	(118,068)	5,552,398	3,872,407	5,078,663
<b>At the end of financial period/year</b>	37,522,310	37,640,378	8,951,070	5,078,663
<b>Units in issue (number)</b>	49,204,147	54,705,740	10,768,646	7,408,981
<b>Net assets attributable to unitholders per unit (S\$)</b>	0.76	0.69	0.83	0.69

## 7 Net assets attributable to unitholders (continue)

	PRU Global Leaders Fund		PRU Global Positioning Strategy Fund	
	30/06/2009	31/12/2008	30/06/2009	31/12/2008
	S\$	S\$	S\$	S\$
<b>At the beginning of financial period/year</b>	2,579,438	-	2,373,230	-
<b>Operations</b>				
Change in net assets attributable to unitholders resulting from operations	391,498	(1,564,226)	145,264	(229,837)
<b>Unitholders' contributions/ (withdrawals)</b>				
Creation of units	338,515	4,866,096	799,241	2,830,246
Cancellation of units	(209,042)	(722,432)	(224,347)	(227,179)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	129,473	4,143,664	574,894	2,603,067
Total increase/(decrease) in net assets attributable to unitholders	520,971	2,579,438	720,158	2,373,230
<b>At the end of financial period/year</b>	3,100,409	2,579,438	3,093,388	2,373,230
<b>Units in issue (number)</b>	4,391,930	4,173,204	3,285,201	2,665,572
<b>Net assets attributable to unitholders per unit (S\$)</b>	0.71	0.62	0.94	0.89

8 Units in issue

	<b>PRU Global Technology Fund</b>		<b>PRU Pan European Fund</b>	
	<b>30/06/2009</b>	<b>31/12/2008</b>	<b>30/06/2009</b>	<b>31/12/2008</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Units at beginning of the period/year	174,004,328	195,587,472	57,721,204	59,687,846
Units created	5,662,992	16,262,791	2,010,375	12,879,463
Units cancelled	(5,609,239)	(37,845,935)	(3,154,233)	(14,846,105)
Units at end of the period/year	<u>174,058,081</u>	<u>174,004,328</u>	<u>56,577,346</u>	<u>57,721,204</u>

  

	<b>PRU Protected Global Titans Fund (S\$)</b>		<b>PRU Asian Balanced Fund</b>	
	<b>30/06/2009</b>	<b>31/12/2008</b>	<b>30/06/2009</b>	<b>31/12/2008</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Units at beginning of the period/year	22,572,920	14,245,503	461,786,639	431,018,100
Units created	6,041,779	35,538,640	35,272,323	178,998,881
Units cancelled	(6,745,563)	(27,211,223)	(24,001,655)	(148,230,342)
Units at end of the period/year	<u>21,869,136</u>	<u>22,572,920</u>	<u>473,057,307</u>	<u>461,786,639</u>

  

	<b>PRU Dragon Peacock Fundd</b>		<b>PRU Global Basics Fund</b>	
	<b>30/06/2009</b>	<b>31/12/2008</b>	<b>30/06/2009</b>	<b>31/12/2008</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Units at beginning of the period/year	448,656,118	446,739,678	412,560,968	394,855,822
Units created	81,066,472	213,693,321	19,714,598	160,978,177
Units cancelled	(39,116,931)	(211,776,881)	(24,441,413)	(143,273,031)
Units at end of the period/year	<u>490,605,659</u>	<u>448,656,118</u>	<u>407,834,153</u>	<u>412,560,968</u>

## 8 Units in issue (continue)

	PRU Global Balanced Fund		PRU Asian Infrastructure Equity Fund	
	30/06/2009	31/12/2008	30/06/2009	31/12/2008
	S\$	S\$	S\$	S\$
Units at beginning of the period/year	54,705,740	32,801,474	7,408,981	-
Units created	11,066,574	227,835,060	4,784,517	8,463,381
Units cancelled	(16,568,167)	(205,930,794)	(1,424,852)	(1,054,400)
Units at end of the period/year	49,204,147	54,705,740	10,768,646	7,408,981
	PRU Global Leaders Fund		PRU Global Positioning Strategy Fund	
	30/06/2009	31/12/2008	30/06/2009	31/12/2008
	S\$	S\$	S\$	S\$
Units at beginning of the period/year	4,173,204	-	2,665,572	-
Units created	527,850	5,055,120	859,989	2,913,165
Units cancelled	(309,124)	(881,916)	(240,360)	(247,593)
Units at end of the period/year	4,391,930	4,173,204	3,285,201	2,665,572

**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\$ and EUR units are for facilitation of the subscription and/or redemption in US\$ and Euro respectively. Consequently, these financial statements of PRU Global Basics Fund cover the financial information of the S\$ units only.

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

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

<u>Net asset value of US\$ units</u>	<b>30/06/2009</b>	<b>31/12/2008</b>
Number of units issued to US\$ unitholders	5,327,053	4,470,358
Net asset value per S\$ unit	0.89	0.74

	<b>S\$</b>	<b>US\$ equivalent</b>	
	<b>30/06/2009</b>	<b>30/06/2009</b>	<b>31/12/2008</b>
Value of S\$ units issued to US\$ unitholders	4,719,777	3,260,978	2,296,071
Number of US\$ units in issue		5,327,053	4,470,358
Value per US\$ unit at 30 June 2009/31 December 2008		0.61	0.51

<u>Net asset value of EUR units</u>	<b>30/06/2009</b>	<b>31/12/2008</b>
Number of units issued to EUR unitholders	921,983	941,399
Net asset value per S\$ unit	0.89	0.74

	<b>S\$</b>	<b>EUR equivalent</b>	
	<b>30/06/2009</b>	<b>30/06/2009</b>	<b>31/12/2008</b>
Value of S\$ units issued to EUR unitholders	816,878	402,378	347,845
Number of EUR units in issue		921,983	941,399
Value per EUR unit at 30 June 2009/31 December 2008		0.44	0.37

**9 US dollar class and Euro class (continued)**PRU Asian Infrastructure Equity Fund

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

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

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

<u>Net asset value of US\$ units</u>	<b>30/06/2009</b>	<b>31/12/2008</b>
Number of units issued to US\$ unitholders	717,003	717,003
Net asset value per S\$ unit	0.83	0.68

	<b>S\$</b>	<b>US\$ equivalent</b>	
	<b>30/06/2009</b>	<b>30/06/2009</b>	<b>31/12/2008</b>
Value of S\$ units issued to US\$ unitholders	595,984	411,776	338,208
Number of US\$ units in issue		717,003	717,003
Value per US\$ unit at 30 June 2009/31 December 2008		0.57	0.47

<u>Net asset value of EUR units</u>	<b>30/06/2009</b>	<b>31/12/2008</b>
Number of units issued to EUR unitholders	21,335	21,335
Net asset value per S\$ unit	0.83	0.68

	<b>S\$</b>	<b>EUR equivalent</b>	
	<b>30/06/2009</b>	<b>30/06/2009</b>	<b>31/12/2008</b>
Value of S\$ units issued to EUR unitholders	17,734	8,735	7,244
Number of EUR units in issue		21,335	21,335
Value per EUR unit at 30 June 2009/31 December 2008		0.41	0.34

**10 Related party transactions**

In the normal course of the business of the Trust, trustee fees, valuation fees and management fees have been paid or are payable to the Trustee and the Manager respectively as noted in the Statement of Total Return. In addition, management fee rebates ranging from 0.25% to 0.75%, (31 December 2008: 0.25% to 1.50%) are received from the manager of the underlying funds for certain sub-funds.

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

**11 Financial instruments**

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

*Credit risk*

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

Investments in fixed income securities are subject to adverse changes in the financial condition of the issuer, or in general economic conditions, or both, or an unanticipated rise in interest rates, which may impair the ability of the issuer to make payments of interest and principal. Such issuer's ability to meet its debt obligations may also be adversely affected by specific projected business forecasts, or the unavailability of additional financing.

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

*Liquidity risk*

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

**11 Financial Instruments (continued)**

*Interest rate risk*

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

Foreign currency risk

The Trust's accounting books and records are kept in Singapore dollars. The sub-funds invest in underlying securities which are denominated in foreign currencies where the fluctuations in the relevant exchange rates may have an impact on the income and value of the Trust.

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

*Fair value*

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

## 12 Financial ratios

	30/06/2009	30/06/2008
	%	%
<b>PRU Global Technology Fund</b>		
Expense ratio (Note 1)	1.89	1.93
Turnover ratio (Note 2)	2.79	4.57
<b>PRU Pan European Fund</b>		
Expense ratio (Note 1)	1.78	1.79
Turnover ratio (Note 2)	2.50	5.29
<b>PRU Protected Global Titans Fund (S\$)</b>		
Expense ratio (Note 1)	0.70	0.81
Turnover ratio (Note 2)	42.10	37.48
<b>PRU Asian Balanced Fund</b>		
Expense ratio (Note 1)	1.44	1.44
Turnover ratio (Note 2)	26.60	14.28
<b>PRU Dragon Peacock Fund</b>		
Expense ratio (Note 1)	1.77	1.72
Turnover ratio (Note 2)	19.66	12.88
<b>PRU Global Basics Fund</b>		
Expense ratio (Note 1)	1.79	1.72
Turnover ratio (Note 2)	1.92	2.26
<b>PRU Global Balanced Fund</b>		
Expense ratio (Note 1)	1.71	1.70
Turnover ratio (Note 2)	14.70	29.82
<b>PRU Asian Infrastructure Equity Fund</b>		
Expense ratio (Note 1)	2.70	0.43
Turnover ratio (Note 2)	13.66	18.38
<b>PRU Global Leaders Fund</b>		
Expense ratio (Note 1)	1.95	-
Turnover ratio (Note 2)	6.86	-
<b>PRU Global Positioning Strategy Fund</b>		
Expense ratio (Note 1)	4.86	-
Turnover ratio (Note 2)	7.33	-

**12 Financial ratios (continued)**

Note 1

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

Note 2

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

**13 Comparative figures**

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

## Important Information

A prospectus in relation to the Fund is available and a copy of the prospectus may be obtained from the Manager and its distribution partners. All application for units in the Fund must be made on the application form accompanying the prospectus. Investors should read the prospectus before deciding whether to subscribe for or purchase units in the Fund. Past performance of the Fund is not necessarily indicative of the future performance of the Fund. The prediction, projection or forecast on the economy, securities markets or the economic trends of the markets targeted by the Fund are not necessarily indicative of the future or likely performance of the Fund. An investment in the Fund is subject to investment risks, including the possible loss of the principal amount invested. Investments in unit trusts are not deposits or other obligations of, or guaranteed or insured by the Manager or any of its related corporations. Investors may wish to seek advice from a financial adviser before making a commitment to invest in units of the Fund. In the event an investor chooses not to seek advice from a financial adviser, the investor should consider whether the Fund is suitable for him. The value of units in the Fund and the income accruing to the units, if any, may fall or rise. Whilst the Manager has taken all reasonable care to ensure that the information contained in this document is not untrue or misleading at the time of publication, the Manager cannot guarantee its accuracy or completeness. Investors should not act on it without first independently verifying its contents. Any opinion or estimate contained in this document is subject to change without notice.

The Manager is an indirect subsidiary of Prudential plc of the United Kingdom. The Manager and Prudential plc are not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America.

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

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

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



