FUND COMMENTARIES OF PRULINK INVESTMENTS

Report and statement of the managers
for the period 1 January 2010 to 31 December 2010

Nurturing your investments to your advantage.

PRUDENTIAL
Always Listening. Always Understanding.

GENERAL DISCLAIMERS:

The information on the **PRU***link* Funds is compiled by Prudential Assurance Company Singapore (Pte) Limited ("Prudential Singapore") and for informational use only.

A Fund Information Booklet in relation to the respective **PRU***link* Fund may be obtained through Prudential Singapore, its Financial Consultants or representatives. Potential investors should read the Fund Information Booklet before deciding whether to invest in any **PRU***link* Fund.

Investments are subject to investment risks including the possible loss of the principal invested. The value of the units of the **PRU***link* Funds may fall as well as rise.

Past performances of the **PRU***link* Funds and any other economic or market predictions, projections or forecasts, are not necessarily indicative of future or likely performances of the **PRU***link* Funds, underlying entity and/or the respective fund managers.

For more up-to-date information on unit prices of all **PRU***link* Funds,
visit our website at www.prudential.com.sg
For more information on your policies regarding the value of your investments and policy details,
apply for **PRU***access* via our website or call 1800 333 0 333.

CONTENTS

PruLink Singapore Managed Fund

FUND OBJECTIVE

The PruLink Singapore Managed Fund (the "Fund") aims to maximise total return in the medium to long-term by investing primarily in a portfolio comprising equities and equity-related securities of companies listed or to be listed on the Singapore Stock Exchange, and in a diversified portfolio of debt securities.

The Fund has a strategic asset allocation mix of 70% equities and 30% in fixed income. The Fund may in addition, at the Manager's absolute discretion, invest up to 20% of its assets in equity and equity related securities of companies, which are incorporated, listed in or have their area of primary activity in Asia Pacific including Australia and New Zealand, excluding Japan, and up to 10% in fixed income/ debt securities issued by Asian entities or their subsidiaries that are denominated in US dollars as well as various Asian currencies.

Market and Fund Review

The Singapore economy grew an exceptional 14.7% in 2010[1]. Inflation momentum continues to increase in Singapore, consistent with the recent monetary tightening response. Against this environment, the Singapore equity market posted positive returns for the review period, with the MSCI Singapore Free Index Total Return Gross gaining 11.5% in Singapore dollar terms. Paling in comparison, the Singapore government bond market only managed to return 2.6% (using UOB Singapore Government Bond Index (All) as a proxy).

For the review period, contribution from asset allocation was flat as the Fund had maintained (on average) a neutral allocation between equities and bonds during the year. On a positive note, the positive securities selection from both the bond and equity sub-portfolios added value. However, this was insufficient to generate an outperformance for the overall Fund on a net of fee basis.

The bond sub-portfolio's outperformance was largely driven by the overweight position in credit, given the higher carry, tighter bond swap and credit spreads. In addition, the strategy of maintaining a long duration position for a good part of the year and the subsequent move to a neutral position in the late third quarter was timely and added significant value to relative performance. The equity sub-portfolio's outperformance was attributed to the overweight positions in Genting Singapore PLC, Mapletree Industrial Trust and Keppel Corp Ltd, as well as the underweight in CapitaMalls Asia Ltd. In addition, having an overweight position in Global Logistics Properties Ltd prior to its inclusion in the index also boosted the Fund's return.

Key changes to portfolio

Over the review period, the Fund has generally maintained a neutral position between domestic equities and bonds and kept cash holdings to a minimum for liquidity purposes.

[1] *Ministry of Trade and Industry, Singapore*

Outlook

With effect from December, the Fund has been restructured to expand its mandate to include Asian bonds and equities. In the month of December, the Fund invested 2% into the Asian US dollar denominated bonds (via the International Opportunities Fund – Asian Bond).

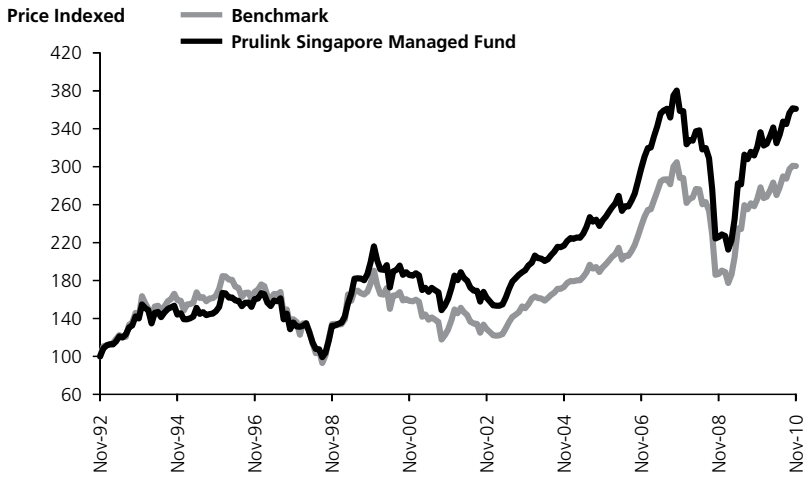
In terms of asset allocation strategy, the fund manager maintains an underweight in Singapore bonds. The fund manager believes that interest rates in Singapore are too low and sees little return upside potential in Singapore bonds. The Fund will continue to maintain an overweight position in credit within the Singapore bond sub-portfolio, especially in short to medium term issues, as they potentially offer better value compared to government bonds.

The fund manager prefers to tactically overweight Asian US dollar denominated bonds on a fully hedged basis into Singapore dollar so as to limit the foreign exchange risk. Improving corporate fundamentals, declining credit default expectations and very loose monetary conditions will continue to lend support to this asset class in his opinion.

Singapore's 2011 economic growth is expected to moderate to 4% – 6%[2]. The fund manager remains cautious on the near term outlook of the Singapore equity market due in part to rising costs from inflation, as well as the increasing pro-active government measures in curbing asset price inflation. The equity sub-portfolio is overweight in selected small caps with good growth potential and yet trade at a significant discount to the average market valuations, particularly those companies that benefit in an inflationary environment.

[2] *Ministry of Trade and Industry, Singapore*

The above information on the PruLink Singapore Managed Fund is provided by Prudential Asset Management (Singapore) Ltd.



Fund Details

PruLink Singapore Managed Fund

Launch Date	24 Sep 1992
Bid Price (as at 31 Dec 2010)	$3.458
Offer Price (as at 31 Dec 2010)	$3.640

Risk Classification

Narrowly Focused – Medium to High Risk

Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)	
PruLink Singapore Managed Fund	8.27%
70% MSCI Singapore Free Index + 30% UOB Singapore Government Bond Index (All)	9.01%

Net Investment Return (since inception of the fund)	
PruLink Singapore Managed Fund	264.04%
70% MSCI Singapore Free Index + 30% UOB Singapore Government Bond Index (All)	203.39%

PruLink Asian Equity Fund

FUND OBJECTIVE

The PruLink Asian Equity Fund (the "Fund") aims to maximise long-term total return by investing in equity and equity-related securities of companies, which are incorporated, or have their primary activity, in Asia ex-Japan. The Asia ex-Japan region includes but is not limited to the following countries: Korea, Taiwan, Hong Kong, Philippines, Thailand, Malaysia, Singapore, Indonesia, People's Republic of China, India and Pakistan. The Fund may also invest in depository receipts [including American Depository Receipts (ADRs) and Global Depository Receipts (GDRs)], debt securities convertible into common shares, preference shares and warrants.

Market and Fund Review

The stock markets of Asia ex-Japan climbed sharply for a second consecutive year in 2010 following the global financial crisis of 2008. Generally, upbeat perceptions of the US and Chinese economies offset concern about Europe's debt problems and lifted the region higher in 2010.

Stock selection in the financial and energy sectors, and asset allocation to energy, contributed strongly to the Fund's performance. In contrast, stock selection in materials and utilities, and asset allocation to materials, detracted from the Fund's performance. China and Singapore were big contributors to the Fund. Korea and Taiwan detracted from the Fund's performance.

AAC Acoustic Technologies Holdings Inc. and Metropolitan Bank & Trust Co. outperformed the benchmark and were among the larger contributors to the Fund's performance. The fund manager expects Hong Kong-listed AAC, a maker of telephone components, to benefit from rising demand for smart phones and tablet computers. Metro Bank re-rated to well above long-term valuations, in line with those of the Philippine banking sector.

Shanda Games Ltd. and Sino-Ocean Land Holdings Ltd. underperformed the benchmark and were among the larger detractors from the Fund's performance. Shanda is a leading distributor in China of online games. The fund manager likes the company's position in the industry and believes that Shanda's new product line will do well. Sino-Ocean is a real estate company active in Beijing and has held a leading market share of all the space sold in that city since 2004.

Key changes to portfolio

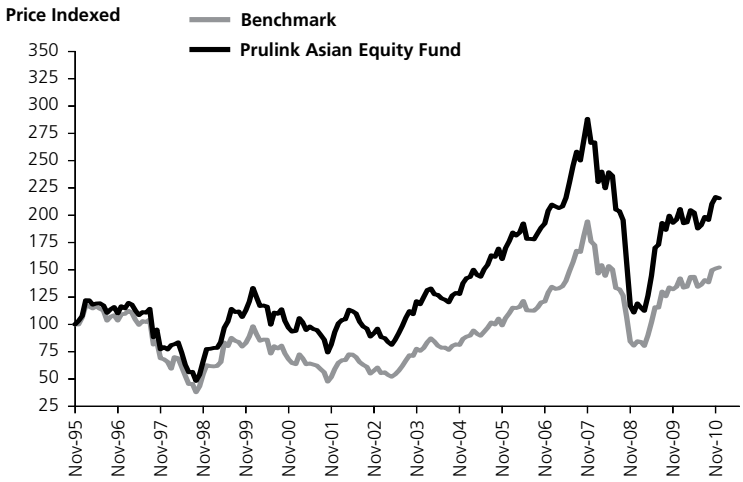
Among its larger transactions, the Fund established new positions in Hyundai Engineering & Construction Co. and Korea Exchange Bank. A stake in Hutchison Whampoa Ltd. was raised.

The fund manager bought Hyundai Engineering when the share price was weak. The company is active in petrochemical and refinery work in the Middle East and, in the fund manager's view, has limited exposure to Korea's depressed residential property market. He believes the assets of Korea Exchange Bank are among the best in that country's banking industry. Hutchison Whampoa is a Hong Kong conglomerate active globally in ports, telecommunications and real estate.

Outlook

The fund manager believes Asia ex-Japan's economic growth will exceed that of the world's developed markets in the coming few years, led by China and India. He believes also that the United States in 2011 may begin exhibiting enough of a recovery to boost US demand for Asian exports.

The above information on the PruLink Asian Equity Fund is provided by Prudential Asset Management (Singapore) Ltd.



Fund Details

PruLink Asian Equity Fund

Launch Date	1 Oct 1995
Bid Price (as at 31 Dec 2010)	$2.127
Offer Price (as at 31 Dec 2010)	$2.239

Risk Classification

Narrowly Focused – Higher Risk

Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)	
PruLink Asian Equity Fund	8.85%
MSCI AC Asia Ex-Japan Index	9.43%

Net Investment Return (since inception of the fund)	
PruLink Asian Equity Fund	123.91%
MSCI AC Asia Ex-Japan Index	55.63%

PruLink Global Equity Fund

FUND OBJECTIVE

The PruLink Global Equity Fund (the "Fund") aims to provide long-term return from an internationally diversified portfolio of securities through investing all or substantially all of its assets in the Aberdeen Global Opportunies Fund ("Underlying Fund").

Market and Fund Review

Global stock markets rose in the year under review, on hopes that economic recovery could be sustained. In regional terms, emerging markets outperformed their developed counterparts, reflecting stronger growth prospects, whereas Europe was the worst-performing market.

On the economic front, China, India and Brazil remained well-supported by domestic demand; significantly, second-quarter data showed China overtaking Japan as the world's second largest economy. In the developed world, fiscal stimulus programmes initially boosted consumer spending but as these effects faded, unemployment levels in the US remained high even after nearly 18 months into the recovery, while third-quarter GDP contracted in several peripheral European economies.

Against this background, the US Federal Reserve announced a second round of quantitative easing, whereas the Bank of Japan pledged to buy ¥5 trillion-worth of government and corporate bonds. This accelerated capital inflows into emerging markets. As inflation rose to troubling levels, most Asian central banks tightened monetary policy, including Beijing, which raised interest rates twice in quick succession, causing markets to stumble briefly.

Europe's fiscal woes, which caused borrowing costs to spike in Ireland, Spain, Italy and Portugal, also pressured the stock markets. But towards the year-end, the bailout of Ireland by the European Central Bank and IMF, as well as the extension of US tax cuts, lifted sentiment and helped equities end on a strong note.

The Fund lagged the benchmark during the period under review.

At the stock level, the Fund's Japanese holdings contributed most to relative performance. Industrial robots manufacturer Fanuc reported positive full-year results that were buoyed by the rebound in regional industrial demand. Likewise, Daito Trust Construction's annual earnings exceeded expectations on the back of well-implemented cost controls and healthy order flows for its property development services. Elsewhere, Hong Kong conglomerate Swire Pacific outperformed after unit Cathay Pacific said it expected full-year profits to nearly triple amid the improving operating environment for the aviation sector.

Against this, German utility E.On, Australian insurer QBE Insurance and Brazilian oil company Petrobras detracted from performance. Germany's plans to raise €2.3 billion per year from nuclear operators as part of its austerity measures hurt E.On. QBE Insurance's price slipped because of falling investment returns, which the fund manager had anticipated but did not consider detrimental to its long-term attractiveness. The Fund's non-benchmark exposure to Petrobas also proved costly as it was weighed down by its US$67 billion stock sale.

Key changes to portfolio

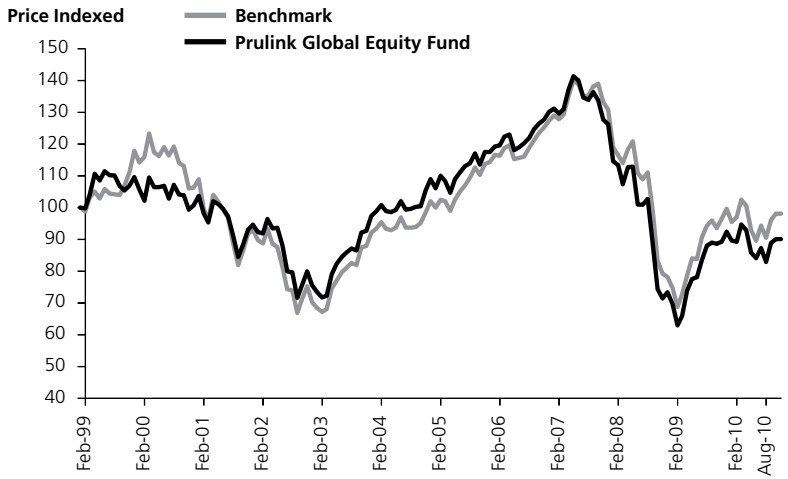
During the year, the fund manager sold Spanish lender Mapfre and Italian bank Intesa Sanpaolo on local financial sector concerns, as well as US consumer goods company Procter & Gamble and US chipmaker Intel, in light of better opportunities elsewhere. The fund manager also divested pharmaceutical company AstraZeneca and postal operator Deutsche Post, on concerns over their long-term prospects.

Against this, the fund manager introduced soft drinks and snacks manufacturer Pepsico and software developer Oracle, as he likes their resilient businesses and attractive fundamentals; Brazilian lender Banco Bradesco, a dominant player in the market; as well as Swiss drugmaker Novartis and telecommunications company China Mobile, on attractive valuations. Additionally, the fund manager bought Swiss-based food group Nestle. Its strong global brands and management's success at growing revenue and margins make the company an attractive long-term investment. The fund manager also subscribed to Petrobras' share offering; the oil and gas company will use the proceeds to fund expansion plans.

Outlook

Global growth is picking up along with consumer and business confidence. Last year, the US avoided a double-dip recession and Germany kept the Eurozone afloat. Nonetheless, the pace of recovery appears alarmingly slow. Debt and unemployment levels are persistently high in the developed world. In this environment, the fund manager favours well-run companies with exposure to the developing world.

The above information on the PruLink Global Equity Fund is provided by Aberdeen Asset Management Asia Limited.



Fund Details

PruLink Global Equity Fund

Launch Date	5 Oct 1998
Bid Price (as at 31 Dec 2010)	$0.890
Offer Price (as at 31 Dec 2010)	$0.937

Risk Classification

Broadly Diversified – Higher Risk

Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)	
PruLink Global Equity Fund	1.62%
MSCI World (Total Return Net) Index	2.50%

Net Investment Return (since inception of the fund)	
PruLink Global Equity Fund	-6.07%
MSCI World (Total Return Net) Index	6.80%

PruLink Global Bond Fund

FUND OBJECTIVE

The PruLink Global Bond Fund (the "Fund") aims to maximise total return through investment in a diversified portfolio of debt securities denominated in any currency. While the manager has power to hedge currency risk, the Fund will seek to invest primarily in securities so as to give exposure to major developed market currencies.

Market and Fund Review

The initial positive outlook of a global recovery in 2010 was quickly overshadowed by concerns over the European sovereign debt crisis, while depressed housing starts in the US also brought fears of a renewed economic downturn. This led to bouts of investor risk aversion and the consequent pursuit of easier monetary policy amongst the G3 countries. All these factors encouraged flight-to-quality flows into the G3 government bond markets. With policy rates near zero, the US and Japan resorted to further quantitative easing to prop up their slowing economies, thereby capping rises in bond yields. Despite this "risk-on, risk-off" environment, higher risk assets like equities and corporate bonds managed to perform well over the year as investors sought to enhance investment returns amidst the low interest rate environment.

Overall, the Fund benefited from its duration positioning. It held an overall duration overweight for a large part of 2010 via government bonds, which contributed positively to returns given the broad decline in global government bond yields that took place from April – October 2010. The Fund's tactical move to duration underweight in the fourth quarter of the year was well-timed as government bond yields rebounded during the period on the back of a pick-up in economic data and higher inflationary pressures. The gains from the underweight duration strategy helped offset the negative relative returns from the overweight positions in German Bunds. Additionally, the Fund's moderate exposures to corporate bonds were broadly positive given the yield carry and the general tightening of credit spreads.

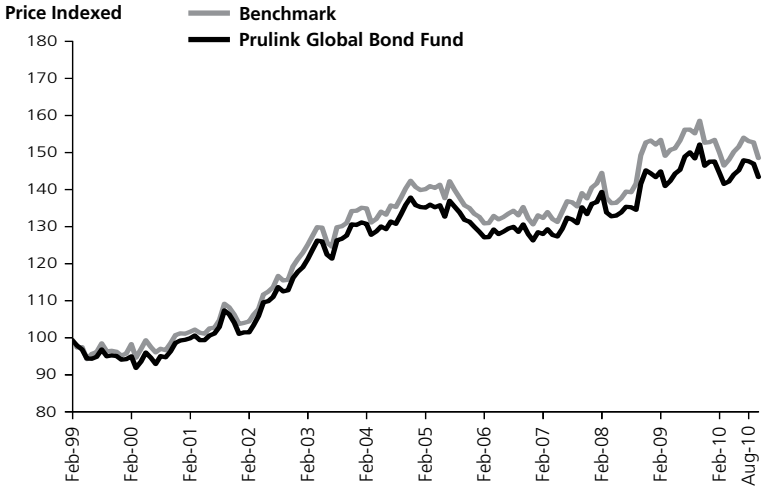
Key changes to portfolio

During the year, some portfolio adjustments were made to implement the fund manager's tactical strategies on duration. Additionally, the Fund's exposures to peripheral Eurozone nations were reduced in view of the increased sovereign risks in these markets. On the other hand, corporate exposures were raised moderately.

Outlook

The broad macro picture of moderate expansion in the global economy growth in 2011 and persistent structural issues in the West should keep the developed economies maintaining accommodative monetary conditions. The quantitative easing measures that were announced recently in the US and Japan should continue to cap rises in G3 government bond yields. The Fund has thus moved to an overweight duration strategy in December 2010 as the recent sell-off in government bond markets has presented opportunities for the Fund to raise duration at more attractive yield levels.

The above information on the PruLink Global Bond Fund is provided by Prudential Asset Management (Singapore) Ltd.



Fund Details

PruLink Global Bond Fund

Launch Date	5 Oct 1998
Bid Price (as at 31 Dec 2010)	$1.339
Offer Price (as at 31 Dec 2010)	$1.409

Risk Classification

Broadly Diversified – Low to Medium Risk

Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)	
PruLink Global Bond Fund	-3.77%
Citigroup World Government Bond Index All Maturities	-4.05%

Net Investment Return (since inception of the fund)	
PruLink Global Bond Fund	40.92%
Citigroup World Government Bond Index All Maturities	46.46%

PruLink Global Managed Fund

FUND OBJECTIVE

The PruLink Global Managed Fund (the "Fund") aims to achieve long-term capital appreciation through investment directly or indirectly in quoted equities, bonds and other fixed income securities in global markets. The Fund will feed into the Schroder Multi-Asset Revolution ("Underlying Fund"), which will invest in multiple asset classes and will be comprised of an activity managed basket of equities, fixed income, property and commodities related securities.

Market and Fund Review

The Fund returned 5.6% and outperformed its reference benchmark, which posted -0.08% over the year of 2010. All underlying holdings delivered positive returns over the year and contributed positively to performance. The portfolio has maintained a cautious stance toward equities and was holding less than 40% in risk assets (equities and property) through the period of the first half of 2010. The fund manager kept his allocation preference to credit for its attractive risk return but has reduced the position in Euro Corporate Bonds on lingering concerns surrounding the European sovereign debt. This positioning has benefited overall performance which saw the Fund outperforming the benchmark by over 6% in the first half of 2010. Towards the second half of 2010, the fund manager increased the exposure to risk assets to 45% in anticipation that the QE2 may drive markets higher. Indeed, risk assets rallied sharply over the month of September, leading the Fund to return one of its best monthly returns since July 2009. Meanwhile, diversification into Gold has also contributed strongly to performance with the precious metal surging to nearly 30% in 2010. The exposure to this asset class was maintained at 5% except for July which the fund manager trimmed the position in the midst of a correction and helped support performance.

2010 saw all asset prices advance, extending its gains from 2009, albeit in a relatively muted manner. Over the year of 2010, the MSCI World delivered a positive return of 12% while the MSCI AC Asia ex Japan gained 19%. In Japan, the TOPIX edged up 15% (in JPY terms) despite being held back by the strengthening Yen. Commodities also had a good show in performance, with the DJ UBS Commodity index returning 17%. Meanwhile, Gold closed the year with stellar performance, delivering nearly 30% – the highest annual gain in the past 10 consecutive years.

However, the year 2010 was not an easy and smooth ride for the risk assets. Indeed, global equities saw a strong start to 2010 but news of the Eurozone debt crisis, concerns on its fiscal contagion as well as worries over monetary tightening in China sent markets on a roller coaster ride. Signs of slowing growth were also beginning to show across the world's key economies, adding fears to a possible double-dip recession, and saw risk assets being sold off sharply over the month of May. Against this backdrop, global equity markets ended the first half of 2010 in the red, with the MSCI World falling 10%. As investors' sentiment remained jittery over the first 2 months of the second half of 2010, speculation that the Federal Reserve may introduce a second round of quantitative easing (QE2) to stimulate the economy saw markets rebounding strongly in September. The month of November witnessed another sell-off due to reignited concerns over peripheral Eurozone countries. This was only short-lived with financial markets rallying in December, driven mainly by optimism over QE2 and improving economic data. The MSCI World was up by 24% over the second half of 2010, resulting in overall positive return over 2010.

On the fixed income side, bonds rallied from January through August as the US economy threatened to slide back into a recession. The gains were however trimmed in the last four months of the year, sliding as the Fed Chairman Ben Bernanke implemented a plan in November to pump $600 billion into the market. Nevertheless, bonds provided positive returns over the year with investment grade credit (Barclays Capital Global Aggregate Credit) returning 6%, outperforming global government bonds (Citi WGBI) by 1%. The strongest performer however came from high yield with Barclays Capital Global High Yield index returning 15% as investors hunt for yield against an ultra low interest rate backdrop.

Source: Bloomberg. All market indices' performance in USD terms except otherwise stated.

Outlook

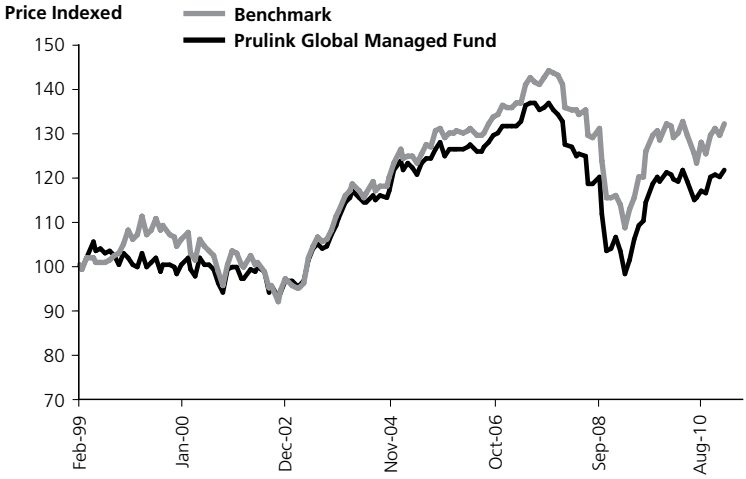
Market volatility in risk assets continues. European sovereign debt concerns, implementation of QE2 in the US and policy tightening in China all contributed to increasing volatilities in asset prices over the month. All these issues remain ongoing as policy makers in the West attempt to reflate ailing economies and those in the East deal with strengthening inflationary pressures. Given the high degree of uncertainty around earnings growth for equities, the fund manager is still cautious on equities until these issues are resolved. However, he has increased the Fund's equity exposure since Q3 as he is conscious that the excessive liquidity being pumped into the system may drive markets higher.

The fund manager still favours allocating risk to credit markets. With corporates having aggressively managed costs early in the crisis, balance sheets are in good health and defaults are falling. Credit spreads have narrowed considerably but still reward investors for risk, particularly when compared to low cash rates.

The fund manager's cautious allocation to government bonds was beneficial in December as yields rose significantly over the month. Valuations still look stretched and with Western central banks continuing to push reflationary policy, the fund manager will maintain the Fund's underweight in the sector.

The forces of private sector de-leveraging and public sector reflation remain in opposition to each other, generating volatile yet range bound price action in markets. In this environment, the fund manager is careful to diversify the risk across a number of return sources to reduce the impact from any number of surfacing macro issues.

The above information on the PruLink Global Managed Fund is provided by Schroder Investment Management (Singapore) Limited.



Fund Details

PruLink Global Managed Fund

Launch Date	5 Oct 1998
Bid Price (as at 31 Dec 2010)	$1.153
Offer Price (as at 31 Dec 2010)	$1.214

Risk Classification

Broadly Diversified – Medium to High Risk

Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)	
PruLink Global Managed Bond Fund	0.98%
60% MSCI World Free Index + 40% Citigroup World Government Bond*	0.47%

Net Investment Return (since inception of the fund)	
PruLink Global Managed Bond Fund	21.51%
60% MSCI World Free Index + 40% Citigroup World Government Bond*	31.75%

** With effect from 8 June 2010, the benchmark has changed from 50% MSCI World Index and 50% Citigroup World Government Bond to 60% MSCI World Free Index and 40% Citigroup World Government Bond.*

Please note that the static benchmark is provided as a reference only. The Fund is managed with a dynamic approach to asset allocation and is not managed against a benchmark.

PruLink Global Technology Fund

FUND OBJECTIVE

The investment objective of the PruLink Global Technology Fund (the "Fund") is to maximise long-term 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.

Market and Fund Review

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

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

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

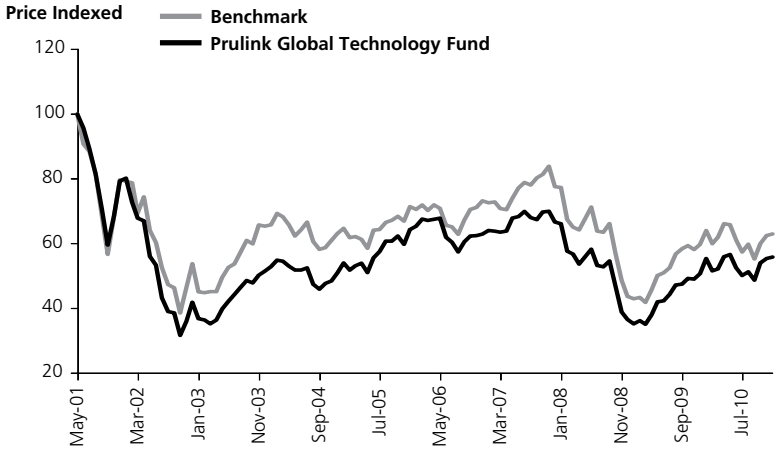
Key changes to portfolio

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

Outlook

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

The above information on the PruLink Global Technology Fund is provided by Prudential Asset Management (Singapore) Ltd.



Fund Details

PruLink Global Technology Fund

Launch Date	1 Apr 2001
Bid Price (as at 31 Dec 2010)	$0.542
Offer Price (as at 31 Dec 2010)	$0.571
Risk Classification	
Narrowly Focused – Higher Risk	
Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)	
PruLink Global Technology Fund	3.05%
MSCI AC World IT Index	1.11%
Net Investment Return (since inception of the fund)	
PruLink Global Technology Fund	-42.90%
MSCI AC World IT Index	-35.26%

PruLink Pan European Fund

FUND OBJECTIVE

The investment objective of the PruLink Pan European Fund (the "Fund") is to maximise long-term total return by investing in equity and equity-related securities, which are incorporated, or have their area of primary activity, in Europe (including United Kingdom). The Fund may also invest in depository receipts [including American Depository Receipts (ADRs) and Global Depository Receipts (GDRS)], debt securities convertible into common shares, preference shares and warrants.

Market and Fund Review

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

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

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

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

Key changes to portfolio

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

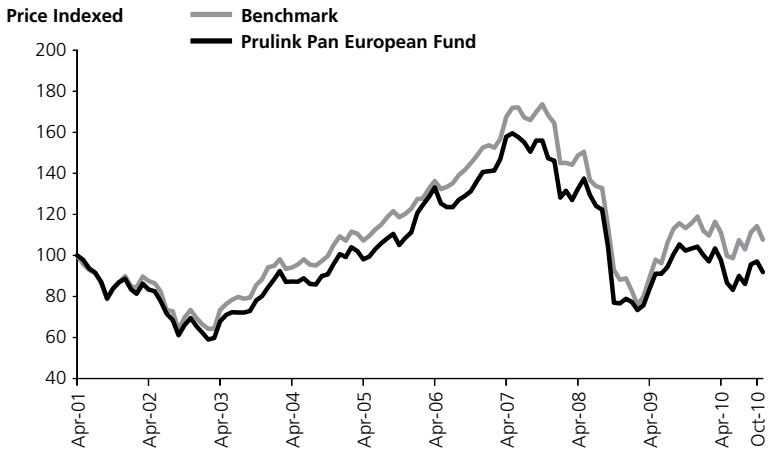
Positions in Spanish bank Banco Santander, S.A. as well as insurers Axa SA and Ageas N.V. were closed due to the fund manager's concerns over their potential exposure to peripheral Eurozone debt and the volatile financial markets in southern Europe.

Outlook

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

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

The above information on the PruLink Pan European Fund is provided by Prudential Asset Management (Singapore) Ltd.



Fund Details

PruLink Pan European Fund

Launch Date	1 Apr 2001
Bid Price (as at 31 Dec 2010)	$0.929
Offer Price (as at 31 Dec 2010)	$0.978

Risk Classification

Narrowly Focused – Higher Risk

Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)	
PruLink Pan European Fund	-6.16%
FTSE World Europe (including UK) Index	-4.71%

Net Investment Return (since inception of the fund)	
PruLink Pan European Fund	-2.17%
FTSE World Europe (including UK) Index	13.36%

PruLink Protected Global Titans Fund

FUND OBJECTIVE

The investment objective of the PruLink Protected Global Titans Fund (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℠ while at the same time providing protection against the bid price of the Fund falling below the floor level of 95% of its bid price as at the start of each floor period, such period to be more than 12 months but less than 13 months.

Market and Fund Review

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

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

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

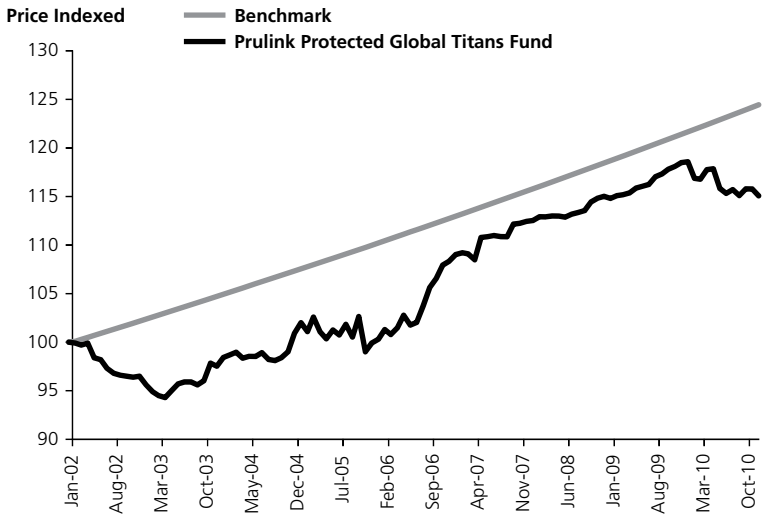
Key changes to the portfolio

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

Outlook

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

The above information on the PruLink Protected Global Titans Fund is provided by Prudential Asset Management (Singapore) Ltd.



Fund Details

Protected Global Titans Fund

Launch Date	16 Jan 2002
Bid Price (as at 31 Dec 2010)	$1.152
Offer Price (as at 31 Dec 2010)	$1.212

Risk Classification

Broadly Diversified – Low to Medium Risk

Net Investment Return (for period under review – 1 January 2010 to 31 December 2010)

PruLink Protected Global Titans Fund	-2.88%
CPF – Ordinary Account Interest Rate	2.50%

Net Investment Return (since inception of the fund)

PruLink Protected Global Titans Fund	15.16%
CPF – Ordinary Account Interest Rate	24.70%

PruLink Asian Reach Managed Fund

FUND OBJECTIVE

The PruLink Asia Reach Managed Fund (the "Fund") aims to maximise total return in the medium to long-term by investing in a portfolio comprising equities of companies in the Asia ex-Japan region, and quality corporate bonds and other fixed income securities issued in the United States market.

Market and Fund Review

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

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

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

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

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

Key changes to portfolio

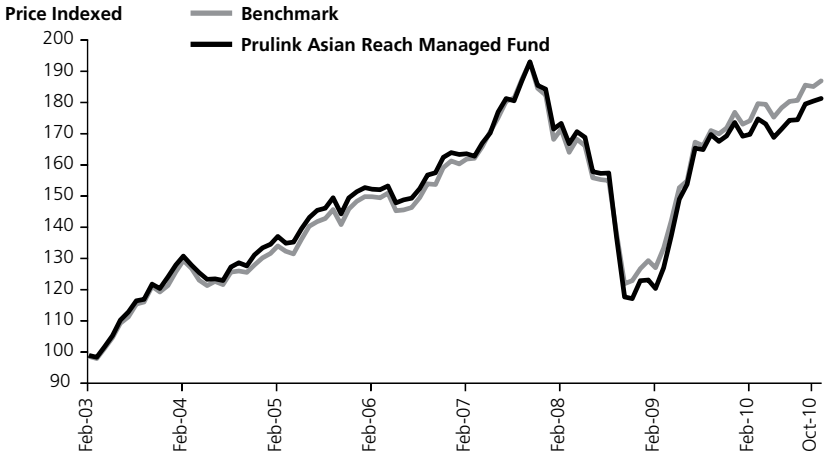
The Fund moved from neutral to an overweight position in Asian equities (out of US bonds) in May as the market sell-off amidst European debt worries brought valuations to cheaper levels. Coupled with still positive economic and earnings news, the fund manager believed the market sell-off has created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

Outlook

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

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

The above information on the PruLink Asian Reach Managed Fund is provided by Prudential Asset Management (Singapore) Ltd.



Fund Details

PruLink Asian Reach Managed Fund

Launch Date	13 Jan 2003
Bid Price (as at 31 Dec 2010)	$1.719
Offer Price (as at 31 Dec 2010)	$1.809

Risk Classification
Narrowly Focused – Medium to High Risk

Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)	
PruLink Asian Reach Managed Fund	4.24%
50% MSCI AC Asia ex Japan Index, 30% The BofA Merrill Lynch U.S. Corporates, A2 Rated and above Index, 20% The BofA Merrill Lynch U.S. Corporates, BBB3-A3 Rated Index	4.73%

Net Investment Return (since inception of the fund)	
PruLink Asian Reach Managed Fund	80.95%
50% MSCI AC Asia ex Japan Index, 30% The BofA Merrill Lynch U.S. Corporates, A2 Rated and above Index, 20% The BofA Merrill Lynch U.S. Corporates, BBB3-A3 Rated Index	85.21%

PruLink China-India Fund

FUND OBJECTIVE

The PruLink China-India Fund (the "Fund") aims to maximise 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).

Market and Fund Review

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

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

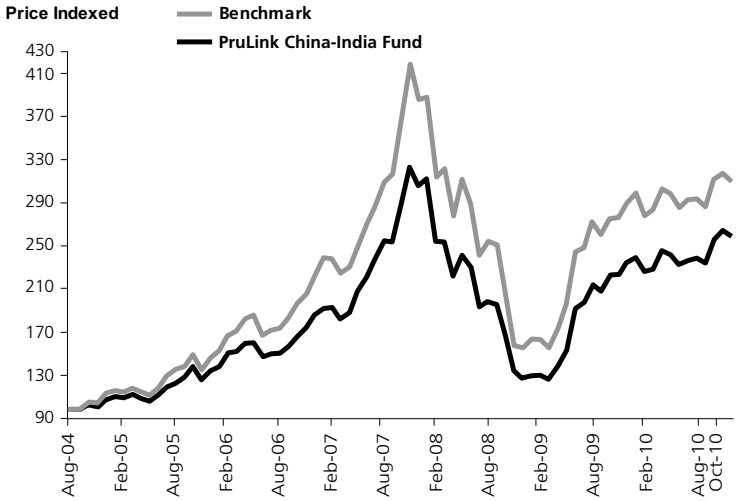
Key changes to portfolio

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

Outlook

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

The above information on the PruLink China-India Fund is provided by Prudential Asset Management (Singapore) Ltd.



Fund Details

PruLink China-India Fund

Launch Date	21 Jun 2004
Bid Price (as at 31 Dec 2010)	$2.414
Offer Price (as at 31 Dec 2010)	$2.541
Risk Classification	
Narrowly Focused – Higher Risk	
Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)	
PruLink China-India Fund	5.76%
50% MSCI China Index and 50% MSCI India Index	3.19%
Net Investment Return (since inception of the fund)	
PruLink China-India Fund	154.10%
50% MSCI China Index and 50% MSCI India Index	207.36%

PruLink Emerging Markets Fund

FUND OBJECTIVE

The investment objective of the PruLink Emerging Markets Fund (the "Fund") is to provide long-term capital growth by investing primarily in emerging markets companies.

Market and Fund Review

Emerging markets rose 18.9% in USD terms for 2010, outperforming developed markets for two years in a row.

After finishing the first quarter of 2010 more or less flat, emerging market equities were sold off in the second quarter with the break-out of European debt crisis. The period was followed by a so-called 'summer of growth fears', as concerns resurfaced over a double-dip in global economic activity and risk aversion increased. However from the end of the summer, better economic data from the US and China and then the prospect of another round of quantitative easing (or QE2) kindled a rally in riskier assets like emerging market equities, allowing the asset class to finish the second half of the year on a strong note.

From a regional perspective, Emerging EMEA was the strongest performer, rising +23.6% driven by strong returns from South Africa (34.2%), Turkey (20.8%) and Russia (19.1%). Emerging Asia returned 19.0%, let by smaller ASEAN markets such as Thailand (55.7%), Malaysia (+37.0%) and Indonesia (+33.9%), while China held the regional index down posting a relatively poor return of 4.6%, as investors worried about cyclical and structural policy risks. Latin America lagged its peers, up 14.7% with the smaller markets dominating returns while Brazil underperformed (6.5%).

Stock selection was the major contributor to returns during the period, while asset allocation detracted. Stock selection in China was the key contributor to returns, notably an off-benchmark position in Li & Fung and an overweight position in Anhui Conch Cement. Investment ideas in India and Russia, such as HDFC and Magnit, also had a positive impact on returns. However, stock selection in Taiwan had a negative impact on performance. From an asset allocation perspective, underweight positions in Thailand, Malaysia and Korea detracted from returns.

Key Changes to Portfolio

During the review period, the fund manager has remained consistently biased towards consumer staples and consumer discretionary names as well as financials, while underweight energy and materials. With the strong boost to industrial production from inventory restocking waning during the period, the fund manager became more confident in being underweight cyclical sectors in favour of domestic growth businesses.

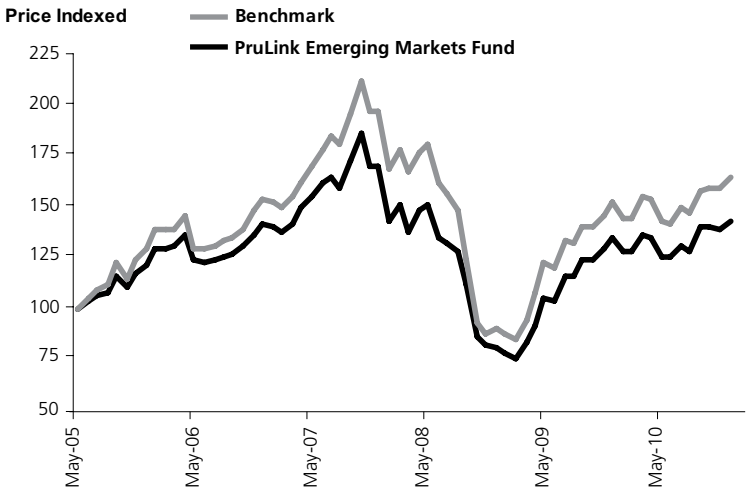
Among the major markets, the fund manager has added to China progressively as valuations in the market began to look interesting again after a period of underperformance, while moved from an overweight to neutral in Brazil as the fund manager trimmed the Fund's positions. Among the smaller markets, Indonesia moved from a small underweight to a small overweight.

Outlook

While developed economies are still mired in a sluggish expansion, emerging growth remains structurally strong. The fund manager believes that this strength can be sustained given robust domestic consumption and the deepening financial and commercial links between emerging markets. As such, the key focus for investors now is the impact of QE on emerging markets. In some cases it means currency appreciation, in some cases it means asset price inflation and in some cases it presents local inflation risks. This varies by country. The important point is that inflation risks within EM look to be a selective problem (in China, India and Indonesia, for example) rather than a systemic one.

Over the next year, the primary risks beyond inflation appear to be exogenous; debt dynamics in the G3 or a sharp rise in bond yields. The fund manager remains comfortable with current valuations for emerging market equities as a whole. The fund manager is also comfortable with the inflows the asset class has seen, especially in light of what they see as well-judged interest amongst global investors in increasing strategic allocations to the asset class.

The above information on the PruLink Emerging Markets Fund is provided by JPMorgan Asset Management (UK) Limited.



Fund Details

PruLink Emerging Markets Fund

Launch Date	19 May 2005
Bid Price (as at 31 Dec 2010)	$1.360
Offer Price (as at 31 Dec 2010)	$1.431

Risk Classification

Narrowly Focused – Higher Risk

Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)	
PruLink Emerging Markets Fund	5.51%
MSCI Emerging Markets Total Return Net	8.25%

Net Investment Return (since inception of the fund)	
PruLink Emerging Markets Fund	43.13%
MSCI Emerging Markets Total Return Net	65.00%

PruLink America Fund

FUND OBJECTIVE

The investment objective of the PruLink America Fund (the "Fund") is to invest principally in US equity securities. Currently, the Fund aims to produce capital growth by investing in a diversified portfolio of primarily US companies.

Market and Fund Review

US equities ended the year on a positive note, registering robust gains over the review period. Initially, investor sentiment was supported by improving economic data releases that pointed to a continued recovery and by the strength in corporate earnings. However, subsequent weak global cues in the form of a sovereign debt crisis in Europe and continued policy tightening in China shook investor confidence. Meanwhile, economic indicators in the US started to decelerate bringing fears of an economic 'double-dip' back to the fore. The resultant uncertainty caused a sell-off but investors soon re-adjusted their growth expectations as it became clearer that a slowdown did not necessitate another recession. Subsequent improvements in economic data and the launch of a fresh round of quantitative easing by the Federal Reserve as well as the announcement of a deal that extended Bush-era tax rates as well as unemployment benefits buoyed sentiment. Encouragingly, corporate America remained cash-rich and was well placed to grow inorganically, create jobs and support more sustainable demand.

Gains from strong stock selection in information technology and the overweight in energy were offset by unfavourable positions in the consumer discretionary and financials sectors which weighed upon performance. Developments related to the European sovereign debt crisis and US financial regulatory reform process impacted some of the Fund's holdings in large diversified financial services firms. Meanwhile, a new off-benchmark holding in SuperMedia hurt returns. The company sells advertising in print and online directories to small and medium enterprises and its stock was downgraded by analysts at an influential brokerage, citing a lack of catalysts.

Elsewhere, an underweight exposure to technology major Apple detracted from relative returns. Initially, the fund manager avoided this stock because it seemed to be pricing in much of the good news. However, it continued to surprise positively and the fund manager subsequently reassessed the upside potential from new products and added it to the portfolio. Apple remains an underweight because the fund manager continues to find greater value in other technology names, such as HTC, that was among the key contributors. The overweight position in Monster Worldwide also added value after it reported its first quarter of recovery sales growth. Its management also indicated that profitability was likely to improve dramatically on the back of this. Among consumer staples overweight positions, Bunge hurt returns after it slashed its earnings forecast while Dean Foods proved detrimental following its lacklustre results. Both positions have been closed. In contrast, an overweight exposure to bid target Psychiatric Solutions supported gains. This has now been sold.

Key Changes to Portfolio

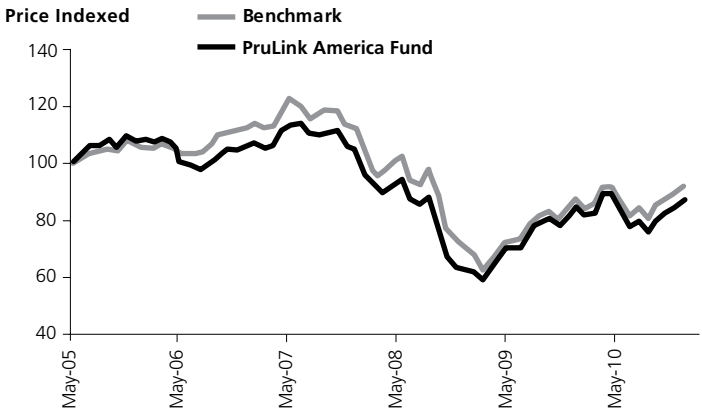
At the end of the review period, the Fund had large overweights in the information technology and energy sectors which were being offset by the underweight in financials, telecommunication services and utilities. Bottom-up the fund manager is finding a lot of attractive opportunities across a diversity of uncorrelated technology businesses. Themes include great quality, defensive franchises which have de-rated recently; semiconductors which benefit from the secular growth in smartphones and tablets; payment processors that had sold off on regulation fears and offer good growth prospects; and online businesses including eBay, Google and Monster Worldwide.

The energy overweight represents the fund manager's positive long term view on oil. He is playing this through a combination of oil services providers, cheaply valued, mature names with an improving growth profile, and stocks that have substantial upside from Exploration and Production (E&P) optionality. The fund manager retains an underweight in telecommunications services due to concerns about the structural decline in fixed line demand, slowing wireless and increased competition. The Fund is broadly neutral in consumer staples and health care sectors. Staples were left behind in the rebound and health care has lagged on regulatory fears.

Outlook

Whilst the fund manager is encouraged by the current strength in cyclical America, he remains concerned with the structural overhangs of government and consumer indebtedness. The fund manager is also wary of the fine balance facing the authorities as he will have at some stage to withdraw stimulus. Encouragingly, despite the strong performance of equities over the last year, plenty of attractively valued bottom-up investment opportunities can still be found in the market.

The above information on the PruLink America Fund is provided by FIL Fund Management Limited.



Fund Details

PruLink America Fund

Launch Date	19 Apr 2005
Bid Price (as at 31 Dec 2010)	$0.826
Offer Price (as at 31 Dec 2010)	$0.869

Risk Classification

Narrowly Focused – Higher Risk

Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)	
PruLink America Fund	2.29%
Standard & Poor's 500 Index	4.99%

Net Investment Return (since inception of the fund)	
PruLink America Fund	-13.05%
Standard & Poor's 500 Index	-8.60%

PruLink International Bond Fund

FUND OBJECTIVE

The investment objective of the PruLink International Bond Fund (the "Fund") is to aim to invest in international markets to maiximize performance measured in US dollars.

Market and Fund Review

Global bonds ended the year in positive territory, with high yield debt generating strong returns followed by investment grade corporate bonds. The year 2010 was dominated by the emergence of sovereign risk in peripheral European economies and expectations of another round of quantitative easing in the US.

After a strong start amid perceptions of an improving global economy, concerns over the sustainability of fiscal deficits in peripheral European countries took centre stage, leading to bouts of volatility. Rating downgrades of a few peripheral nations, particularly Greece, to sub-investment grade impacted sentiment, resulting in a flight to safety. Subsequent to a bailout package of €750 billion announced for Greece in May, credit spreads stabilised and money market rates fell. However, pressures in the peripheral economies heightened further, with the subsequent downgrades of Ireland and Portugal. Yield spreads of peripheral government bonds widened significantly relative to German bunds. Meanwhile, Ireland was also forced to seek a bailout of €85 billion.

The year saw lower yields in core government bonds (UK, US and Germany). However, US Treasury yields rose during the last few months of the year in light of expectations that the Federal Reserve's (Fed) second round of quantitative easing (QE2), announced in November, and an extension of tax cuts may succeed in reviving the economy. Credit spreads widened somewhat over the year. However, subordinated financials in the eurozone underperformed significantly.

The Fund outperformed its benchmark over the 12-month period.

Financials sector outperformed
Security selection within Subordinated Lower Tier II and Tier I financials boosted relative returns. In addition, the overweight stance in Japanese bank Mitsubishi UFJ, Bank of America and insurance companies Fukoku and Eureko were large contributors.

Asset-backed securities (ABS) and telecommunications names buoyed performance
Issue selection within ABS contributed to relative performance and the Fund's holdings in Leek, Rmac and Eddystone Finance outperformed. In addition, the overweight position in British Telecommunications helped overall returns.

Inflation-linked bonds added value; peripherals underperformed
The exposure to Canadian inflation-linked bonds aided performance, as did the profit taking on Japanese inflation securities. Conversely, the Fund's positions in Greek and Irish government bonds detracted from performance.

Key Changes to Portfolio

Long duration position; increased exposure to inflation-linked bonds

Over the period, the Fund moved from a neutral to a long interest rate duration position relative to its benchmark. The Fund is overweight in Europe. Meanwhile, the fund manager added holdings in US and Canadian inflation-linked bonds while selling the Japanese linkers.

Trimmed overweight in financials

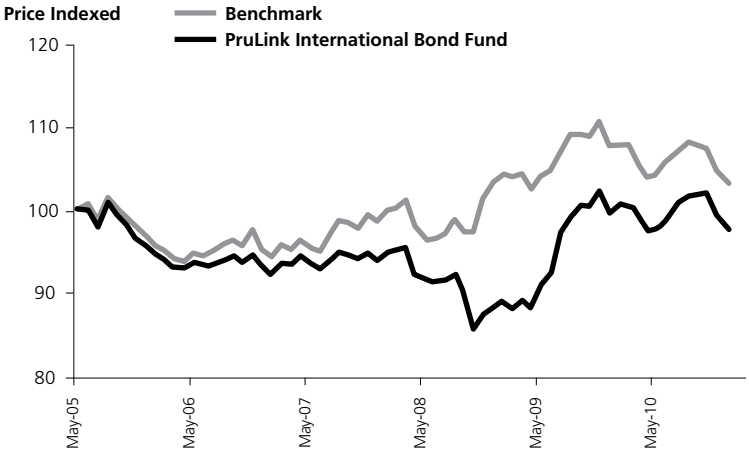
The fund manager reduced the Fund's exposure to financials in both Senior and Subordinated debt and to covered bonds of Bank of America. He also took profits in JP Morgan and Credit Suisse. Meanwhile, the fund manager added positions in Senior paper of insurance company MetLife. Overall, the Fund is overweight Senior and Subordinated debt.

The fund manager trimmed the Fund's overweight in the utilities sector by taking profits in European electricity companies Enel and EDF. He also took profits in Telecom Italia and France-based satellite operator Eutelsat Communications. Within energy, he increased the fund's overweight via holdings in BP and Gazprom.

Outlook

The Fed is expected to keep the Fed Funds target rate unchanged in 2011, and will complete its $600 billion QE2 programme of asset purchases in spite of growing political criticism. In Europe, no change is expected in the European Central Bank's (ECB) refinancing rate in 2011. However, there is a risk that the ECB may attempt to rein-in inflationary pressures with a 0.25% hike towards the end of 2011, while at the same time continuing to provide funding on special terms to weaker banks. In the UK, with inflation still above its target, the Bank of England may begin unwinding policy stimulus over the latter half of the year. However, policy rate increases are likely to be gradual due to the debt overhang in the economy. Meanwhile, the Bank of Japan is expected to maintain its zero interest rate policy in 2011.

The above information on the PruLink International Bond Fund is provided by FIL Fund Management Limited.



Fund Details

PruLink International Bond Fund

Launch Date	19 Apr 2005
Bid Price (as at 31 Dec 2010)	$0.929
Offer Price (as at 31 Dec 2010)	$0.978

Risk Classification

Broadly Diversified – Low to Medium Risk

Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)	
PruLink International Bond Fund	-1.91%
Barclays Capital Global Aggregate G5 ex MBS Index	-4.27%

Net Investment Return (since inception of the fund)	
PruLink International Bond Fund	-2.12%
Barclays Capital Global Aggregate G5 ex MBS Index	3.08%

PruLink Adapt 2015 Fund

FUND OBJECTIVE

The investment objective of the PruLink Adapt 2015 Fund (the "Fund") is to generate capital growth at a controlled risk level consistent with the investment horizon of the portfolio to accumulate assets and provide wealth for investors at maturity. Beyond the investment horizon, which would centre around 2015, the objective is to maintain capital stability in the portfolio.

Market and Fund Review

Despite a common expectation in early 2009 that the global economy was inexorably moving towards some kind of the US 1930's type depression, global growth has been remarkably strong and expectations were revised up consistently over the year. In general, asset markets have lauded the better-than-originally expected economic growth outcomes. This, together with the low inflation environment, and effects of developed government quantitative easing policies, drove almost all asset classes (including equity, government bond and credit) to end 2010 higher. There was, however, considerable market volatility over the year.

Against this backdrop, global equities (using MSCI AC World Index as a proxy) gained 3.4% in Singapore dollar terms over the year. Southeast Asia and Latin America were among the top performing regions. In contrast, European countries, dealing with sovereign debt issues were the worst performers. Paling in comparison, the Barclays Capital Global Aggregate Index was up 4.1% (hedged into Singapore dollar terms). Credit markets outperformed government bonds in 2010, with lower-quality, higher-yielding credits outperforming better quality ones.

The Fund's outperformance over the review period was attributed mainly to the underlying funds' positive security selection. In particular, the outperformance of the global and domestic fixed income, as well as the European and Singapore equity sub-funds contributed significantly to relative returns. The Fund's asset allocation strategy was flat for the review period, as the positive contribution from the underweight in bonds was offset by overweight in European equities.

Key changes to the portfolio

The Fund had generally maintained a neutral allocation to equities at the start of the year given the lack of strong valuation signals. Within equities, the Fund was overweight in developed markets and underweight in Asia given the fund manager's view that the relatively more optimistic earnings expectations being priced into Asian equities offered little margin of safety for any macro or earnings disappointment. The Fund was also slightly overweight cash at the expense of global and domestic government bonds as their valuations were expensive from a medium-term valuation perspective.

The fund manager subsequently used the market sell-off in May to move to an overweight in equities by adding to European and US equities. It correspondingly increased the underweight position in global government bonds as valuation has become more expensive as prices were bid up in a flight to quality trade. The fund manager has maintained this portfolio position through the end of 2010.

Outlook

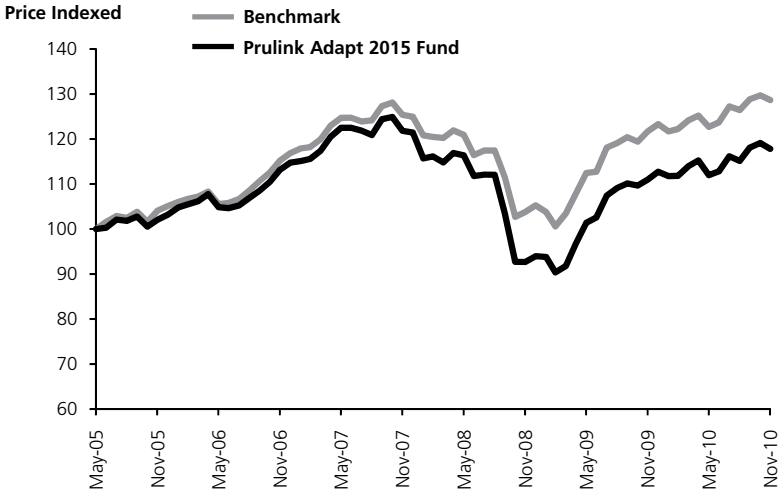
Market volatility in risk assets continues. European sovereign debt concerns, implementation of QE2 in the US and policy tightening in China all contributed to increasing volatilities in asset prices over the month. All these issues remain ongoing as policy makers in the West attempt to reflate ailing economies and those in the East deal with strengthening inflationary pressures. Given the high degree of uncertainty around earnings growth for equities, the fund manager is still cautious on equities until these issues are resolved. However, the fund manager has increased the Fund's equity exposure since Q3 as he is conscious that the excessive liquidity being pumped into the system may drive markets higher.

The fund manager still favours allocating risk to credit markets. With corporates having aggressively managed costs early in the crisis, balance sheets are in good health and defaults are falling. Credit spreads have narrowed considerably but still reward investors for risk, particularly when compared to low cash rates.

The fund manager's cautious allocation to government bonds was beneficial in December as yields rose significantly over the month. As valuations still look stretched and with Western central banks continuing to push reflationary policy, the fund manager will maintain the Fund's underweight position in this sector.

The forces of private sector de-leveraging and public sector reflation remain in opposition to each other, generating volatile yet range bound price action in markets. In this environment, the fund manager is careful to diversify the risk across a number of return sources to reduce the impact from any number of surfacing macro issues.

The above information on the PruLink Adapt 2015 Fund is provided by Prudential Asset Management (Singapore) Ltd and Schroder Investment Management (Singapore) Limited.



Fund Details

PruLink Adapt 2015 Fund

Launch Date	19 Apr 2005
Bid Price (as at 31 Dec 2010)	$1.120
Offer Price (as at 31 Dec 2010)	$1.179

Risk Classification

Broadly Diversified – Medium to High Risk

Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)

PruLink Adapt 2015 Fund	4.59%
Composite benchmark comprising the MSCI Singapore Free Index, MSCI World, MSCI AC Asia ex-Japan Index, MSCI Emerging Market, UOB Singapore Government Bond Index (All), Barclays Capital Global Aggregate Index (hedged to S$), JACI Composite Index (hedged to S$), JPM EMBI+ Composite Index, FTSE NAREIT Developed RE Index, Gold Bullion Spot (hedged to S$), 3-month SIBOR	4.69%

Net Investment Return (since inception of the fund)

PruLink Adapt 2015 Fund	17.92%
Composite benchmark comprising the MSCI Singapore Free Index, MSCI World, MSCI AC Asia ex-Japan Index, MSCI Emerging Market, UOB Singapore Government Bond Index (All), Barclays Capital Global Aggregate Index (hedged to S$), JACI Composite Index (hedged to S$), JPM EMBI+Composite Index, FTSE NAREIT Developed RE Index, Gold Bullion Spot (hedged to S$), 3-month SIBOR	29.11%

PruLink Adapt 2025 Fund

FUND OBJECTIVE

The investment objective of the PruLink Adapt 2025 Fund (the "Fund") is to generate capital growth at a controlled risk level consistent with the investment horizon of the portfolio to accumulate assets and provide wealth for investors at maturity. Beyond the investment horizon, which would centre around 2025, the objective is to maintain capital stability in the portfolio.

Market and Fund Review

Despite a common expectation in early 2009 that the global economy was inexorably moving towards some kind of the US 1930's type depression, global growth has been remarkably strong and expectations were revised up consistently over the year. In general, asset markets have lauded the better-than-originally expected economic growth outcomes. This, together with low inflation environment, and effects of developed government quantitative easing policies, drove almost all asset classes (including equity, government bond and credit) to end 2010 higher. There was, however, considerable market volatility over the year.

Against this backdrop, global equities (using MSCI AC World Index as a proxy) gained 3.4% in Singapore dollar terms over the year. Southeast Asia and Latin America were among the top performing regions. In contrast, European countries, dealing with sovereign debt issues were the worst performers. Paling in comparison, the Barclays Capital Global Aggregate Index was up 4.1% (hedged into Singapore dollar terms). Credit markets outperformed government bonds in 2010, with lower-quality, higher-yielding credits outperforming better quality ones.

For the review period, the positive security selection from the underlying funds, in particular the global and domestic fixed income, as well as the European and Singapore equity sub-funds contributed significantly to relative returns. The Fund's asset allocation strategy was flat for the review period, as the positive contribution from the underweight in bonds was offset by overweight in European equities. However, the level of outperformance was insufficient to generate an outperformance for the overall Fund on a net of fee basis.

Key changes to the portfolio

The Fund had generally maintained a neutral allocation to equities at the start of the year given the lack of strong valuation signals. Within equities, the Fund was overweight in developed markets and underweight in Asia given the fund manager's view that the relatively more optimistic earnings expectations being priced into Asian equities offered little margin of safety for any macro or earnings disappointment. The Fund was also slightly overweight cash at the expense of global and domestic government bonds as their valuations were expensive from a medium-term valuation perspective.

The fund manager subsequently used the market sell-off in May to move to an overweight in equities by adding to European and US equities. It correspondingly increased the underweight position in global government bonds as valuation has become more expensive as prices were bid up in a flight to quality trade. The fund manager has maintained this portfolio position through the end of 2010.

Outlook

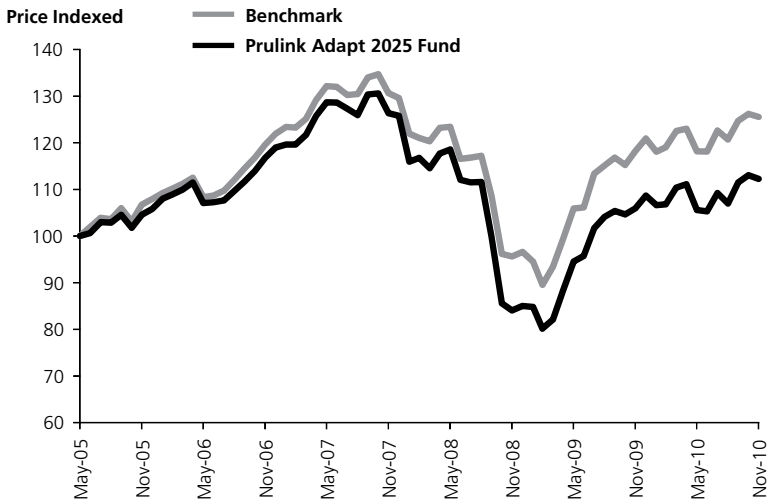
Market volatility in risk assets continues. European sovereign debt concerns, implementation of QE2 in the US and policy tightening in China all contributed to increasing volatilities in asset prices over the month. All these issues remain ongoing as policy makers in the West attempt to reflate ailing economies and those in the East deal with strengthening inflationary pressures. Given the high degree of uncertainty around earnings growth for equities, the fund manager is still cautious on equities until these issues are resolved. However, the fund manager has increased the Fund's equity exposure since Q3 as he is conscious that the excessive liquidity being pumped into the system may drive markets higher.

The fund manager still favours allocating risk to credit markets. With corporates having aggressively managed costs early in the crisis, balance sheets are in good health and defaults are falling. Credit spreads have narrowed considerably but still reward investors for risk, particularly when compared to low cash rates.

The fund manager's cautious allocation to government bonds was beneficial in December as yields rose significantly over the month. As valuations still look stretched and with Western central banks continuing to push reflationary policy, the fund manager will maintain the Fund's underweight position in this sector.

The forces of private sector de-leveraging and public sector reflation remain in opposition to each other, generating volatile yet range bound price action in markets. In this environment, the fund manager is careful to diversify the risk across a number of return sources to reduce the impact from any number of surfacing macro issues.

The above information on the PruLink Adapt 2025 Fund is provided by Prudential Asset Management (Singapore) Ltd and Schroder Investment Management (Singapore) Limited.



Fund Details

PruLink Adapt 2025 Fund

Launch Date	19 Apr 2005
Bid Price (as at 31 Dec 2010)	$1.081
Offer Price (as at 31 Dec 2010)	$1.138

Risk Classification

Broadly Diversified – Medium to High Risk

Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)

PruLink Adapt 2025 Fund	4.76%
Composite benchmark comprising the MSCI Singapore Free Index, MSCI World, MSCI AC Asia ex-Japan Index, MSCI Emerging Market, UOB Singapore Government Bond Index (All), Barclays Capital Global Aggregate Index (hedged to S$), JACI Composite Index (hedged to S$), JPM EMBI+ Composite Index, FTSE NAREIT Developed RE Index, Gold Bullion Spot (hedged to S$), 3-month SIBOR	5.45%

Net Investment Return (since inception of the fund)

PruLink Adapt 2025 Fund	13.84%
Composite benchmark comprising the MSCI Singapore Free Index, MSCI World, MSCI AC Asia ex-Japan Index, MSCI Emerging Market, UOB Singapore Government Bond Index (All), Barclays Capital Global Aggregate Index (hedged to S$), JACI Composite Index (hedged to S$), JPM EMBI+Composite Index, FTSE NAREIT Developed RE Index, Gold Bullion Spot (hedged to S$), 3-month SIBOR	27.52%

PruLink Adapt 2035 Fund

FUND OBJECTIVE

The investment objective of the PruLink Adapt 2035 Fund (the "Fund") is to generate capital growth at a controlled risk level consistent with the investment horizon of the portfolio to accumulate assets and provide wealth for investors at maturity. Beyond the investment horizon, which would centre around 2035, the objective is to maintain capital stability in the portfolio.

Market and Fund Review

Despite a common expectation in early 2009 that the global economy was inexorably moving towards some kind of the US 1930's type depression, global growth has been remarkably strong and expectations were revised up consistently over the year. In general, asset markets have lauded the better-than-originally expected economic growth outcomes. This, together with low inflation environment, and effects of developed government quantitative easing policies, drove almost all asset classes (including equity, government bond and credit) to end 2010 higher. There was, however, considerable market volatility over the year.

Against this backdrop, global equities (using MSCI AC World Index as a proxy) gained 3.4% in Singapore dollar terms over the year. Southeast Asia and Latin America were among the top performing regions. In contrast, European countries, dealing with sovereign debt issues were the worst performers. Paling in comparison, the Barclays Capital Global Aggregate Index was up 4.1% (hedged into Singapore dollar terms). Credit markets outperformed government bonds in 2010, with lower-quality, higher-yielding credits outperforming better quality ones.

For the review period, the positive security selection from the underlying funds, in particular the global and domestic fixed income, as well as the European and Singapore equity sub-funds contributed significantly to relative returns. The Fund's asset allocation strategy was flat for the review period, as the positive contribution from the underweight in bonds was offset by overweight in European equities. However, the level of outperformance was insufficient to generate an outperformance for the overall Fund on a net of fee basis.

Key changes to portfolio

The Fund had generally maintained a neutral allocation to equities at the start of the year given the lack of strong valuation signals. Within equities, the Fund was overweight in developed markets and underweight in Asia given the fund manager's view that the relatively more optimistic earnings expectations being priced into Asian equities offered little margin of safety for any macro or earnings disappointment. The Fund was also slightly overweight cash at the expense of global and domestic government bonds as their valuations were expensive from a medium-term valuation perspective.

The fund manager subsequently used the market sell-off in May to move to an overweight in equities by adding to European and US equities. It correspondingly increased the underweight position in global government bonds as valuation has become more expensive as prices were bid up in a flight to quality trade. The fund manager has maintained this portfolio position through the end of 2010.

Outlook

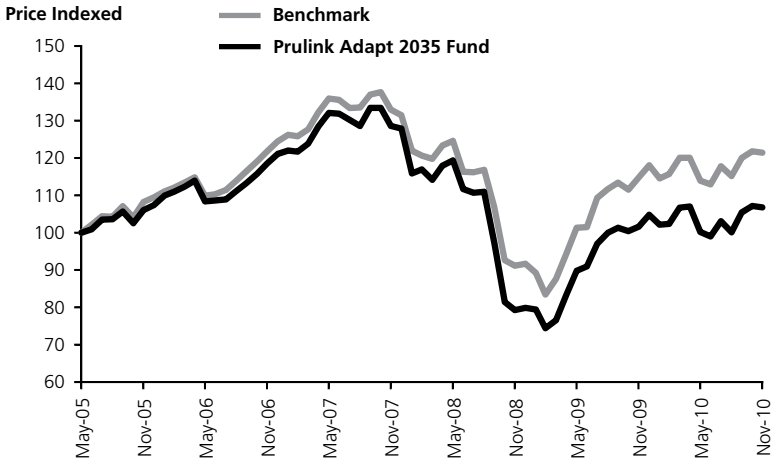
Market volatility in risk assets continues. European sovereign debt concerns, implementation of QE2 in the US and policy tightening in China all contributed to increasing volatilities in asset prices over the month. All these issues remain ongoing as policy makers in the West attempt to reflate ailing economies and those in the East deal with strengthening inflationary pressures. Given the high degree of uncertainty around earnings growth for equities, the fund manager is still cautious on equities until these issues are resolved. However, the fund manager has increased the Fund's equity exposure since Q3 as he is conscious that the excessive liquidity being pumped into the system may drive markets higher.

The fund manager still favours allocating risk to credit markets. With corporates having aggressively managed costs early in the crisis, balance sheets are in good health and defaults are falling. Credit spreads have narrowed considerably but still reward investors for risk, particularly when compared to low cash rates.

The fund manager's cautious allocation to government bonds was beneficial in December as yields rose significantly over the month. As valuations still look stretched and with Western central banks continuing to push reflationary policy, the fund manager will maintain the Fund's underweight position in this sector.

The forces of private sector de-leveraging and public sector reflation remain in opposition to each other, generating volatile yet range bound price action in markets. In this environment, the fund manager is careful to diversify the risk across a number of return sources to reduce the impact from any number of surfacing macro issues.

The above information on the PruLink Adapt 2035 Fund is provided by Prudential Asset Management (Singapore) Ltd and Schroder Investment Management (Singapore) Limited.



Fund Details

PruLink Adapt 2035 Fund

Launch Date	19 Apr 2005
Bid Price (as at 31 Dec 2010)	$1.037
Offer Price (as at 31 Dec 2010)	$1.092

Risk Classification

Broadly Diversified – Higher Risk

Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)

PruLink Adapt 2035 Fund	4.15%
Composite benchmark comprising the MSCI Singapore Free Index, MSCI World, MSCI AC Asia ex-Japan Index, MSCI Emerging Market, UOB Singapore Government Bond Index (All), Barclays Capital Global Aggregate Index (hedged to S$), JACI Composite Index (hedged to S$), JPM EMBI+Composite Index, FTSE NAREIT Developed RE Index, Gold Bullion Spot (hedged to S$), 3-month SIBOR	5.36%

Net Investment Return (since inception of the fund)

PruLink Adapt 2035 Fund	9.16%
Composite benchmark comprising the MSCI Singapore Free Index, MSCI World, MSCI AC Asia ex-Japan Index, MSCI Emerging Market, UOB Singapore Government Bond Index (All), Barclays Capital Global Aggregate Index (hedged to S$), JACI Composite Index (hedged to S$), JPM EMBI+Composite Index, FTSE NAREIT Developed RE Index, Gold Bullion Spot (hedged to S$), 3-month SIBOR	24.39%

PruLink Global Basics Fund

FUND OBJECTIVE

The investment objective of the PruLink Global Basics Fund (the "Fund") is to invest wholly or mainly in companies operating in basic industries ("primary" and "secondary" industries) and also in companies that service these industries. The Fund may also invest in other global equities. The sole aim of the PruLink Global Basics Fund is long-term capital growth.

Market and Fund Review

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

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

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

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

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

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

Key changes to portfolio

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

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

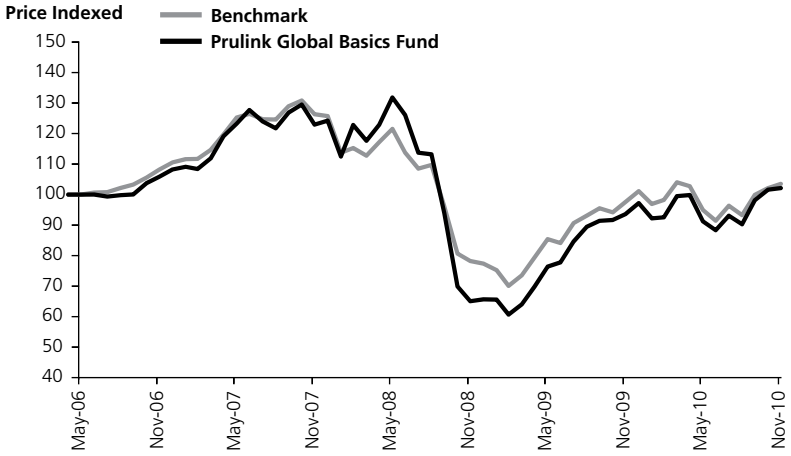
The fund manager took profits from some of the best performing stocks in the portfolio, primarily cyclical companies including diversified UK-listed miner BHP Billiton Limited, US dental products supplier Dentsply International Inc and specialty chemicals producer Johnson Matthey PLC (UK). The fund manager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

Outlook

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

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

The above information on the PruLink Global Basics Fund is provided by Prudential Asset Management (Singapore) Ltd.



Fund Details

PruLink Global Basics Fund

Launch Date	18 Apr 2006
Bid Price (as at 31 Dec 2010)	$1.042
Offer Price (as at 31 Dec 2010)	$1.097

Risk Classification

Narrowly Focused – Higher Risk

Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)	
PruLink Global Basics Fund	12.86%
FTSE Global Basics Composite Index	7.04%

Net Investment Return (since inception of the fund)	
PruLink Global Basics Fund	9.70%
FTSE Global Basics Composite Index	8.26%

PruLink Currency Income Fund

FUND OBJECTIVE

The investment objective of the PruLink Currency Income Fund (the "Fund") is to seek to provide regular income payouts, capital growth and optimum risk-adjusted total return by investing in cash, cash-equivalent, high quality bonds and other fixed income securities rated BBB – (BBB Minus) and above by Standard & Poor's (or equivalent ratings of other credit rating agencies), and entering into derivative transactions linking to indices which employ pre-defined multi-currency interest arbitrage strategies.

Market and Fund Review

Whilst the year started on a relatively positive note, the optimism was quickly overshadowed during the year by the European sovereign debt crisis, as well as increasing evidence of a slowdown in the global economy. The uncertain macroeconomic backdrop resulted in a "risk-on, risk-off" environment for risk assets, including the currency markets. Overall, the US Dollar weakened against most major currencies and emerging market currencies amidst concerns over the structural issues in the US and further liquidity injection through the quantitative easing program implemented late in the year. However, the US Dollar appreciated against the Euro significantly as fiscal woes in the peripheral Europe countries drove a sell-off in the currency.

Due to the choppy currency markets, performance of carry strategies was generally mixed. Indices, which adopt euro-funding carry strategies, generally fared well given the broad decline of Euro against higher-yielding currencies. On the other hand, the Japanese Yen-funding carry strategies posted negative returns due to the strength in the Japanese Yen. Indices with carry reversal feature (i.e. long low-yielding currencies and short high-yielding ones in periods of high volatility), also did poorly given the lack of a clear directional trend in currency markets.

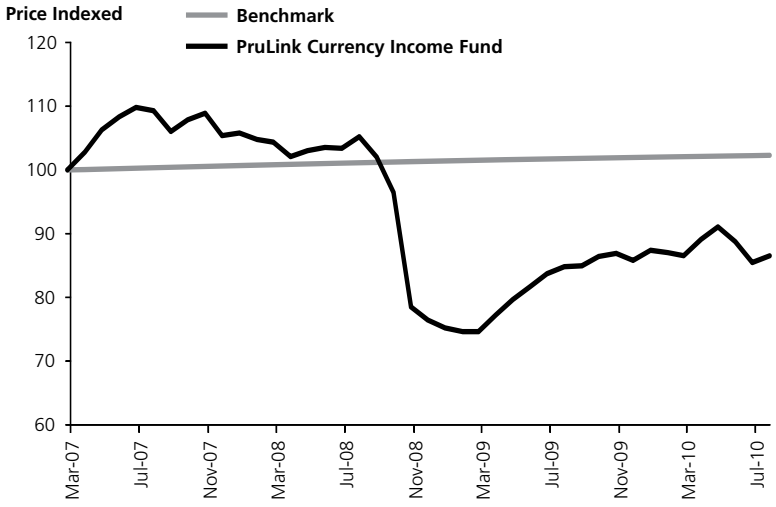
Key changes to portfolio

Over the year, new positions in Merrill Lynch Foreign Exchange Arbitrage Index and the Barclays GEMS Asia Risk Adjusted EUR Index were initiated, while exposure to the UBS V10 Enhanced FX Carry Strategy Index was exited. Allocations to the various underlying carry strategy indices were actively rebalanced by the fund manager during the year based on his quantitative analysis of the indices, coupled with a qualitative overlay.

Outlook

Going into 2011, the fund manager expects the global economy to be on a more stable footing as compared to 2010. However, the wide divide in economic fundamentals between the developed and emerging markets is unlikely to narrow. This could provide support for emerging market assets, including emerging market currencies, given the more constructive macroeconomic backdrop in the region. The inflationary pressures faced by the emerging market countries currently could also result in increased tolerance of policymakers towards currency appreciation. Further, the fund manager expects that the benign global growth outlook may drive up demand for commodities and, thus, commodity-sensitive currencies. Hence, the Fund continues to hold exposures in carry strategies which engage in long emerging market currency positions (against different funding currencies), as well as carry strategies that provide exposures to the higher-yielding, commodity currency plays.

The above information on the PruLink Currency Income Fund is provided by Prudential Asset Management (Singapore) Ltd.



Fund Details

PruLink Currency Income Fund

Launch Date	23 Jan 2007
Bid Price (as at 31 Dec 2010)	$0.664
Offer Price (as at 31 Dec 2010)	$0.699
Risk Classification	
Medium to High Risk	
Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)	
PruLink Currency Income Fund	-1.90%
12 Month S$ Fixed Deposit Rate p.a.	0.48%
Net Investment Return (since inception of the fund)	
PruLink Currency Income Fund	-14.27%
12 Month S$ Fixed Deposit Rate p.a.	2.48%

PruLink Global Property Securities Fund

FUND OBJECTIVE

The investment objective of the PruLink Global Property Securities Fund (the "Fund") is to achieve long-term growth through capital appreciation of the underlying equity portfolio. It will achieve this objective by principally investing worldwide across regions, countries and sectors in shares of companies active in the real estate business (property companies).

Market And Fund Review

There was significant progress in investment real estate – and in the broad financial markets – in 2010. Investors and strategists came into the year with considerable relief that the financial crisis of the prior eighteen months was subsiding. Expectations of improved economic conditions and real estate fundamentals drove the very strong performance of global real estate companies during the year, and they finished the year well ahead of the global broad-market index.

This was a very active year for equity capital placements, with a total of just over USD 40 billion raised. In all, there were more than seventy offerings by public real estate companies, with some activity in every region. U.S. property companies raised about USD 20 billion, with major raises in Singapore, Australia, and Hong Kong as well.

Relative performance is affected by the timing of pricing between the determination of the Fund's Net Asset Value and the determination of the UBS Investors Value. Performance of the Fund is based on global market prices at 3 pm Luxembourg time, while performance of the benchmark is based on close-of-day prices in all markets. This results in a lag effect, since partial European market performance and all North American market performance on the last day of the month are excluded from fund performance. Subfund performance is expressed net of taxes and fees, while benchmark performance is expressed gross of taxes.

Relative performance during 2010 was positively affected by stock selection in the United States, Continental Europe and Australia. An overweight position in Hong Kong throughout most of the year also contributed positively to results. Stock selection in Japan, Singapore and Canada detracted from performance during the year. The top contributors to performance on a security level basis were overweight holdings in AvalonBay Communities and Hong Kong Land and an underweight position in Digital Realty. The top detractors from value were overweight positions in Corio, Capitaland and Corporate Office Properties.

Key changes to Portfolio

The fund manager began the year market weight in Australia, and maintained a slight underweight for the majority of the period. The fund manager transitioned to a meaningful overweight in the region late in Q4.

In Asia, the fund manager was consistently underweight in Hong Kong throughout the year, moving to a meaningful underweight late in Q4. Also late in Q4, the fund manager reduced the overweight position in Japan to a market weight and reduced a market weight in Singapore to an underweight position with the addition of GLP to the benchmark index.

The Fund ended the year with a market weight position in Continental Europe and a slight overweight position in the UK.

The fund manager began the year underweight In the United States and remained there during 2010. Late in Q4, the fund manager moved to a less meaningful underweight position.

All portfolio changes were driven by changes in relative valuation.

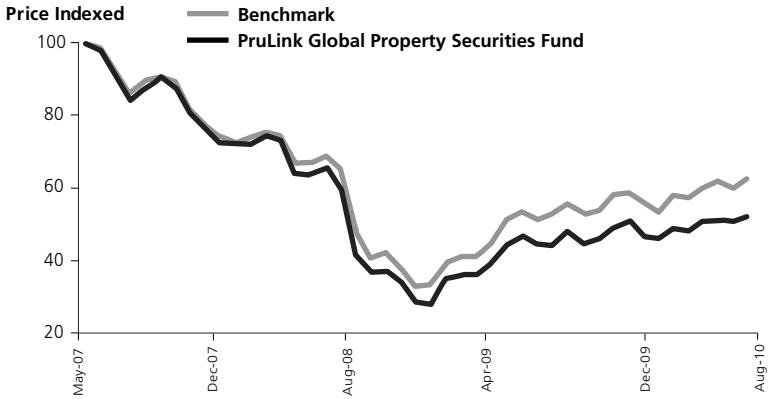
Outlook

The fund manager believes the global economy is on the path to a steady, moderate recovery. Recent GDP estimates have generally seen modest improvements and point to a slow but positive recovery in the mature economies, which are being helped by government economic stimulus. In the emerging economies, there is much faster and more volatile growth, with governmental concern focused on preventing inflation.

In both mature and emerging economies, modest supply and recovering demand make for real estate fundamentals that are increasingly positive. This is resulting in improved operations and better company earnings reports. The fund manager thinks that the companies in our global investment universe will show a significant improvement in earnings in 2011, with good gains continuing in subsequent years, as the real estate and economic cycles remain on track. This should produce improved earnings visibility and reduce the risk-premiums required by investors.

The capital markets worked to the advantage of publicly-traded global real estate companies this year, and are having a positive effect on property valuation. The fund manager expects capital to continue to be broadly available and attractively priced. Most public real estate companies have been able to strengthen their balance sheets on favorable terms, and are well positioned to access reasonably-priced capital to take advantage of real estate opportunities as they arise.

The above information on the PruLink Global Property Securities Fund is provided by LaSalle Investment Management Securities BV.



Fund Details

PruLink Global Property Securities Fund

Launch Date	26 Mar 2007
Bid Price (as at 31 Dec 2010)	$0.495
Offer Price (as at 31 Dec 2010)	$0.522

Risk Classification

Narrowly Focused – Higher Risk

Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)	
PruLink Global Property Securities Fund	9.44%
UBS Warburg Global Real Estate Investors Index	12.70%

Net Investment Return (since inception of the fund)	
PruLink Global Property Securities Fund	-47.85%
UBS Warburg Global Real Estate Investors Index	-37.47%

PruLink Global Leaders Fund

FUND OBJECTIVE

The investment objective of the PruLink Global Leaders Fund (the "Fund") is to maximise long-term total return (the combination of income and growth of capital) by investing in a wide range of global equities that the fund manager considers to be leading in their field.

Market and Fund Review

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

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

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

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

Key changes to portfolio

Portfolio turnover was high during the review period.

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

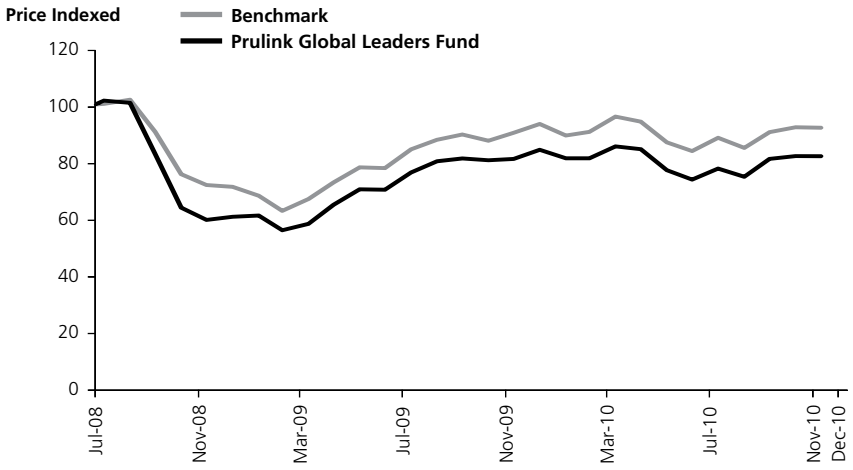
Other new entrants included Hong Kong-listed China Communications Services Corp Ltd, Japan's Nomura Research Institute and US chipmaker Atmel Corporation, which had the effect of further increasing the Fund's overweight exposure to technology stocks. Mobile network infrastructure firm China Communications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

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

Outlook

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

The above information on the PruLink Global Leaders Fund is provided by Prudential Asset Management (Singapore) Ltd.



Fund Details

PruLink Global Leaders Fund

Launch Date	4 Jun 2008
Bid Price (as at 31 Dec 2010)	$0.823
Offer Price (as at 31 Dec 2010)	$0.867

Risk Classification

Broadly Diversified – Higher Risk

Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)	
PruLink Global Leaders Fund	2.08%
FTSE World Index	2.87%

Net Investment Return (since inception of the fund)	
PruLink Global Leaders Fund	-13.32%
FTSE World Index	-3.29%

PruLink Asian Infrastructure Equity Fund

FUND OBJECTIVE

The PruLink Asian Infrastructure Equity Fund (the "Fund") aims 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 businesses and are incorporated in, or listed in, or operating principally from the Asia ex-Japan region.

Market & Fund Review

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

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

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

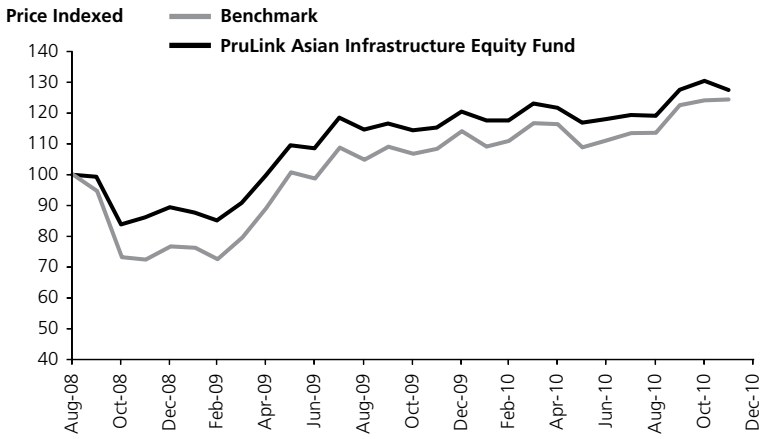
Key changes to the portfolio

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

Outlook

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

The above information on the PruLink Asian Infrastructure Equity Fund is provided by Prudential Asset Management (Singapore) Ltd.



Fund Details

PruLink Asian Infrastructure Equity Fund

Launch Date	4 Aug 2008
Bid Price (as at 31 Dec 2010)	$1.231
Offer Price (as at 31 Dec 2010)	$1.296

Risk Classification

Narrowly Focused – Higher Risk

Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)	
PruLink Asian Infrastructure Equity Fund	7.53%
MSCI AC Asia ex-Japan Selected Sectors Index	11.79%

Net Investment Return (since inception of the fund)	
PruLink Asian Infrastructure Equity Fund	29.57%
MSCI AC Asia ex-Japan Selected Sectors Index	27.60%

PruLink Global Market Navigator Fund

FUND OBJECTIVE

The investment objective of the PruLink Global Market Navigator Fund (the "Fund") is to achieve positive absolute returns over the medium term through the implementation of an actively managed asset allocation strategy in a diversified range of global assets through exchange traded funds ("ETF"), index futures, direct equity and bonds, swaps, options and foreign exchange forwards, each of which may be traded through recognised exchanges or via the over-the-counter markets.

Market and Fund Review

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

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

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

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

Key changes to portfolio

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

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

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

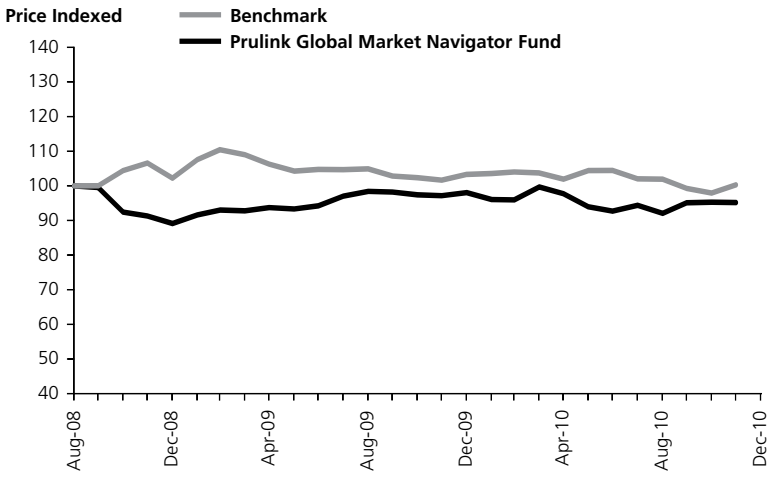
Outlook

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

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

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

The above information on the PruLink Global Market Navigator Fund is provided by Prudential Asset Management (Singapore) Ltd.



Fund Details

PruLink Global Market Navigator Fund

Launch Date	18 Aug 2008
Bid Price (as at 31 Dec 2010)	$0.912
Offer Price (as at 31 Dec 2010)	$0.960

Risk Classification

Broadly Diversified – Higher Risk

Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)	
PruLink Global Market Navigator Fund	-2.11%
Net Investment Return (since inception of the fund)	
PruLink Global Market Navigator Fund	-4.02%

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

PruLink Asian Income Fund

FUND OBJECTIVE

The investment objective of the PruLink Asian Income Fund (the "Fund") is to maximise income by investing primarily in equity and equity-related securities of companies, which are incorporated, listed in or have their areas of primary activity, in Asia Pacific, including Australia and New Zealand excluding Japan. The Fund may also invest in depository receipts including American Depository Receipts ("ADRs") and Global Depository Receipts ("GDRS"), debt securities convertible into common shares, preference shares and warrants.

Market and Fund Review

Asian markets outside of Japan rallied for a second consecutive year in 2010. On the political front, the markets shrugged off tensions between North and South Korea whilst worries receded when the Thailand government, in May, brought to end the two-month long political protests.

In response to growing inflation and excess liquidity (from 2 rounds of U.S. quantitative easing) flooding the Asia Pacific ex-Japan region, authorities introduced a slew of tightening measures including capital account restrictions, prudential standards, quantitative measures, gradual exchange rate appreciation and interest rate hikes. China, India, Australia, Malaysia, Thailand and Korea all increased interest rates more than once. Measures to curb the surge in property prices were also implemented in China, Hong Kong and Singapore. In contrast, Europe embarked on the path of austerity and the announcement of a massive 750-billion-euro rescue package helped minimise the potential global ramifications of debt defaulting EU members. Concerns over Europe's debt moderated slightly later in the year.

2010's uncertain macroeconomic environment was favourable for the Fund as the fund manager's lower volatility yield seeking investment mandate contributed to outperformance. Under this environment, the fund manager's focus remained on protecting the portfolio yield whilst at the same time protecting the portfolio from being exposed to high country or sector risk.

Key changes to portfolio

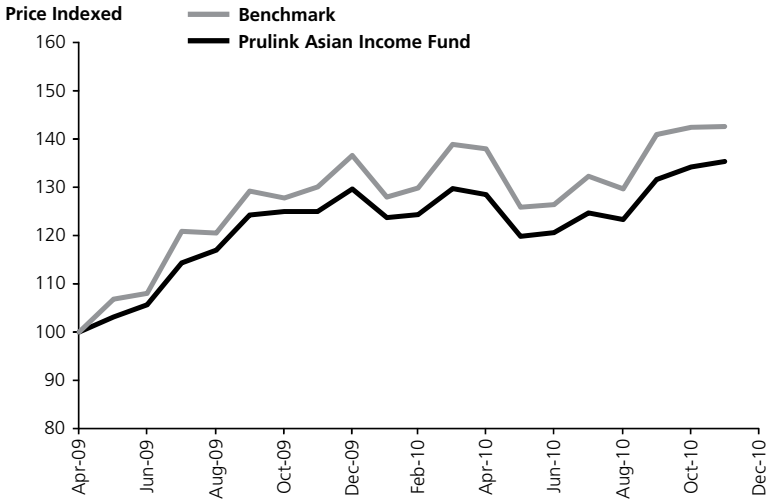
To diversify dividend yield, country and sector risk, the fund manager rotated out of Australian Financials (Westpac Banking Corporation, Commonwealth Bank of Australia) into Indonesian (PT Indo Tambangraya Megah Tbk), Thailand (Thai Oil Public Company Limited) and Indian (Oil & Natural Gas Corporation Limited) energy names. This resulted in an increased exposure to rising energy prices. The fund manager also trimmed positions in Li & Fung Limited, Samsung Fire & Marine Insurance Co., Ltd, Thai Oil Public Company Limited as their prices had run up over the period resulting in expensive valuations and decreased yield. The fund manager used the sales proceeds to invest into companies which met the Fund's yield and valuation criteria such as Mapletree Industrial Trust Management Ltd, Singapore Press Holdings Limited, Kangwon Land, Inc., GS Holdings Corp., Bank of Baroda, Hindustan Unilever Limited and Guangzhou R&F Properties Co., Ltd.

Outlook

The fund manager continues to expect a two-track recovery with emerging markets experiencing stronger growth than developed markets. In Asia Pacific ex-Japan, the fund manager expects inflation and the risk of tightening to remain.

The fund manager is positive about the Fund's high dividend yield equity strategy in 2011. The fund manager believes that strong earnings are forecasted in 2011 and dividends are a prudent way to gain exposure. There is also a steady trend in increasing payout ratios across the region as Asian cash balances have never been stronger with capital intensity and gearing at historic lows. With the continued volatility in the market, the fund manager expects his defensive dividend yielding strategy to deliver competitive performance by paying regular distributions generated via high dividend income and participating in potential upside appreciation of the equity market.

The above information on the PruLink Asian Income Fund is provided by Prudential Asset Management (Singapore) Ltd.



Fund Details

PruLink Asian Income Fund

Launch Date	2 Apr 2009
Bid Price (as at 31 Dec 2010)	$1.237
Offer Price (as at 31 Dec 2010)	$1.302
Risk Classification	
Narrowly Focused – Higher Risk	
Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)	
PruLink Asian Income Fund	6.79%
MSCI AC Asia Ex-Japan Index	8.05%
Net Investment Return (since inception of the fund)	
PruLink Asian Income Fund	38.45%
MSCI AC Asia Ex-Japan Index	47.59%

PruLink Emerging Market Income Bond Fund

FUND OBJECTIVE

The investment objective of the PruLink Emerging Market Income Bond Fund (the "Fund") is to provide an absolute return of capital growth and income primarily through investment in a portfolio of bonds and other fixed and floating rate securities issued by governments, government agencies, supra-national and corporate issuers in emerging markets.

Market and Fund Review

The low level of yields and the resurgent inflationary pressures in most emerging economies led Schroder ISF EMD Absolute Return to maintain very limited exposure to the external debt sector and minimal duration in the EM local bond markets during 2010. The opportunity to generate good risk adjusted returns in external debt came to an end in most EM countries towards the end of 2009 and in 2010 the fund manager remained of the view that this sector was (and remains) over-crowded, with lack of any suitable risk premia. The fund manager also was of the opinion that local bond investors holding duration faced the risk of increasing local interest rates. The Fund's investment strategy therefore was mainly focused on carefully selected EM currencies, which the investment team continued to consider as being kept unjustifiably undervalued by large government interventions. Such actions were viewed as becoming ineffective as a result of the increasing inflationary pressures and the new avalanche of capital inflows triggered by a new round of US quantitative easing.

Outlook

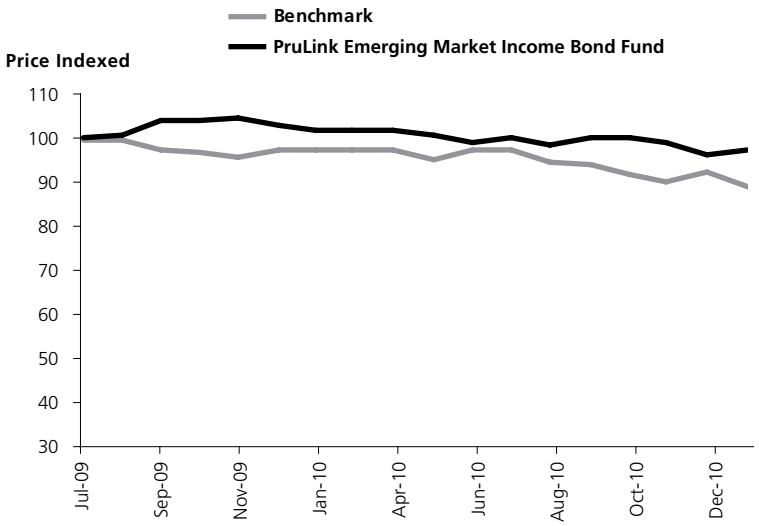
Looking forward to 2011, emerging market countries with the strongest economic fundamentals should see their asset prices remain relatively stable and their currencies appreciate. Growth prospects in a number of Asian economies remain very sound indeed and there are several countries where fundamentals will remain well supported by strong commodity export revenues. Such countries maintain the prospect in the coming 1-2 years of renewed currency strength. Volatility will exist but it should be less than that seen in the past few years (countries such as Chile, Taiwan, Russia, Philippines and Thailand are in this category).

Some emerging countries, in a second category, will likely see their asset prices come under heavy pressure again at some point, due to investor recognition of relatively weaker fundamentals, unfinished structural reforms and a general lack of sufficient risk premium in asset prices. Thereafter, assets in these countries may see very strong performance as policy adjustments bring change (Vietnam, Hungary or Mexico are potential candidates). In the bottom category, a number of emerging countries will simply perform poorly, with no resolution to ongoing issues. The Fund will continue to avoid investing in such countries, until such time that significant political / structural changes are seen.

The fund manager believes that the investor will make attractive risk-adjusted returns through this 12 month period by firstly, correctly analysing and categorizing country risks, as outlined above, to avoid the worst-performing assets, and by secondly mandating and utilizing maximum portfolio flexibility in order to take full advantage of sound high-return opportunities (especially those in the second category mentioned above), once they occur.

Opportunities to position the Fund profitably may occur at different times in emerging market credit, currency and interest-rate markets and the timing cannot always be predicted easily. Currently, the fund manager believes investors may soon come to the realisation that the 25 year bull market in bonds is nearing its end, and that this trend leaves us with the EM currency sector as the main instrument with which to express our bullish views on countries with undamaged long-term growth prospects. Absolute returns will vary year-to-year, as they have always done in the past, but returns comfortably in excess of those available in developed country fixed income portfolios (6-10%pa) should easily be achievable this year.

The above information on the PruLink Emerging Market Income Bond Fund is provided by Schroder Investment Management (Singapore) Ltd.



Fund Details

PruLink Emerging Market Income Bond Fund

Launch Date	2 Jul 2009
Bid Price (as at 31 Dec 2010)	$0.921
Offer Price (as at 31 Dec 2010)	$0.970
Risk Classification	
Narrowly Focused – Low to Medium Risk	
Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)	
PruLink Emerging Market Income Bond Fund	0.75%
USD 3M Libor (SGD)	-8.44%
Net Investment Return (since inception of the fund)	
PruLink Emerging Market Income Bond Fund	5.91%
USD 3M Libor (SGD)	-10.98%

PruLink Greater China Fund

FUND OBJECTIVE

The investment objective of the PruLink Greater China Fund (the "Fund") is to provide capital growth primarily through investment in equity securities of the People's Republic of China, Hong Kong SAR and Taiwan companies.

Market and Fund Review

Equities in Greater China endured a disappointing first half in 2010 where it ended in negative territory in local terms as global concerns continued to catch up with the region's markets. Worries over sovereign debt in the eurozone were compounded by concerns over Chinese government efforts to cool its economy, while the US saw the downgrade on its Q1 GDP growth. All of these factors resulted in a volatile 6-months for Greater China equities as investors began to lose confidence in the economic recovery and raised fears over implications on regional demand. The equity markets then posted their biggest quarterly rise for the year in 3Q 2010 as the Asia region's economy remained largely resilient despite worries that the global economic recovery was losing steam. While risk appetite was dented by concerns surrounding the sovereign debt crisis in the eurozone and a slowdown in US economic growth, optimism was driven by a string of upbeat developments in economies across the region in Asia. China's war on inflation continued into the last days of the year as a Christmas-day hike in interest rates – the second increase in two months – spooked investors but failed to halt the positive progress of Chinese equities, which ended the quarter higher. In 2010, Chinese equities underperformed the global equities index. Chinese equity shares underperformed in the Greater China region on the increasing concerns about the impact of efforts to cool economic growth and liquidity in the face of higher inflation. Taiwanese equities performed well as the country's export-driven economy benefited from improved engagement with China despite a further de-rating of the technology stocks.

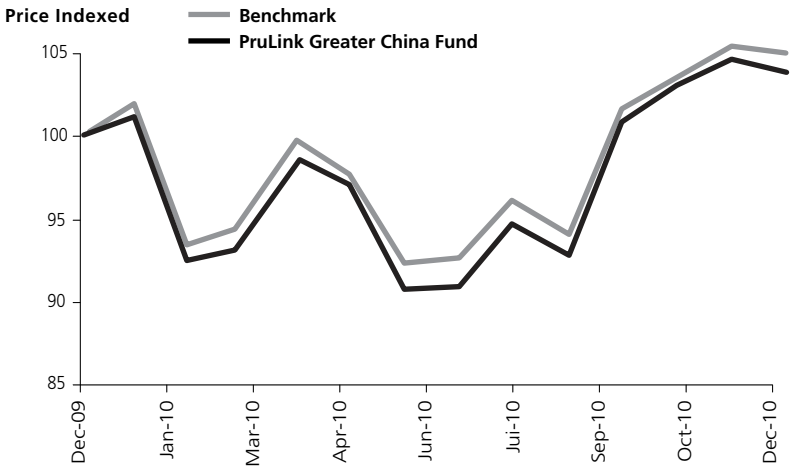
The Fund rose but underperformed the benchmark over the year, due largely to negative stock selection in Taiwan. Stock selection in Hong Kong mitigated some of the performance losses. The nil weight in HTC Corporation in Taiwan contributed negatively as the stock rose on the strong growth of the company's Android models and on expectations that new model launches will boost further growth. In the energy sector, Suntech Power was hurt as over 50% of its revenue is denominated in Euro, the depreciation of the Euro against the Dollar should impact profits. Some performance losses were mitigated by the portfolio's overweight in Jardine Matheson which surged on the release of better-than-expected first half of the year results. Among consumer staples the fund manager's commitment to domestically focused names was also a contributing factor with Shenguan Holdings, the leading producer of sausage casings in China. The company posted a 72% increase in the first half of the year profits as it continues to benefit from the rapid change in consumption habits.

The Fund took profits across the pharmaceuticals sector. Pharmaceuticals performed extremely well at the start of the year on the back of continued and rapid growth. However, while the fund manager likes the sector long term, at these valuations, he was happy to sell. The fund manager trimmed the Fund's domestic consumption stocks, taking profits in what has proved a strongly performing sector. The fund manager still believes the sector is poised for improved performance, he shaved highly overweight stance in the consumer staples. In Taiwan, the fund manager has moved back in the technology sector on the belief that the global expenditure cycle could pick up in the second half of this year. To fund these purchases, the fund manager trimmed back on non-tech names.

Outlook

As we start the New Year, the fund manager is confident that he will continue to see global economic growth. However, a difficult employment picture in the US, inflation issues in Asia as well as the risk of contagion from Europe's debt problems continue to be the headwind for the market this year. The issue that worries the fund manager most is inflation, particularly in China. He expects there to be at least two if not three more rate hikes before the middle of this year, along with other measures in China. The fund manager's focus will continue to be on companies with strong cash flows and dividend support. Other stocks he likes to also include insurance companies, energy, selected conglomerates in Hong Kong and upstream electronic companies.

The above information on the PruLink Greater China Fund is provided by Schroder Investment Management (Singapore) Ltd.



Fund Details

PruLink Greater China Fund

Launch Date	6 Nov 2009
Bid Price (as at 31 Dec 2010)	$0.983
Offer Price (as at 31 Dec 2010)	$1.035
Risk Classification	
Narrowly Focused – Higher Risk	
Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)	
PruLink Greater China Fund	2.41%
MSCI Golden Dragon	3.33%
Net Investment Return (since inception of the fund)	
PruLink Greater China Fund	3.51%
MSCI Golden Dragon	5.08%

PruLink GEMM Resources Fund

FUND OBJECTIVE

The investment objective of the PruLink GEMM Resources Fund (the "Fund") is to provide long-term capital growth by investing primarily in natural resources companies globally, many of which are in the early stages of exploration.

Market and Fund Review

The overall natural resources sector recorded strong performance throughout 2010, except challenging performance in Q2. Amid investor jitters over the strength of economic recovery in developed markets and Eurozone credit concerns, gold has become a beneficiary due to its safe haven status, rising 30% over the year to US$1,420 per ounce. The first quarter started with base metals failing to keep up with the underlying rises in the spot prices, while energy companies also lagged. Base metals prices and oil prices were further depressed in Q2 due to a combination of investors concerns about China growth, European credit concerns and Australia's super profits tax proposal imposed on base metals. Investor sentiment started to pick up in the third quarter on the back of additional monetary easing by central banks and progress seen in fiscal sustainability in periphery Europe. Continued on from Q3, investor optimism in economic recovery was further supported by robust US corporate earnings and improving manufacturing data in the US, Europe, China and India reported in the fourth quarter. Gold and oil managed to surpass the gains they had enjoyed since Q3. Copper also benefited from sustained optimism, rising 20% over Q4.

The Fund delivered strong performance throughout 2010. In the first quarter, all three sub-sectors contributed positively to performance. At the stock level, the largest positive contributor to performance was Pacific Rubiales, whose share price rose by 40% during Q1 on positive news surrounding its production growth in Columbia. However, the Fund had a difficult quarter in Q2 with base metals and diversified holdings detracted the most from performance. Gold and precious metals exposure was the only positive contributor over the quarter. Subsequently, performance rebounded in Q3 with all three key sub-sectors contributed positively to performance, especially the stock selection in the base metals sector contributed the most. In particular, copper stocks rallied significantly. Strong fund performance then carried onto Q4. Base metals stocks continued to contribute the most to the portfolio. At the individual commodity level, uranium stocks rose by over 80% during Q4, as China's nuclear power expansion plans and the signing of two new contracts for long-term uranium supply spurred investor sentiment.

Key changes to portfolio

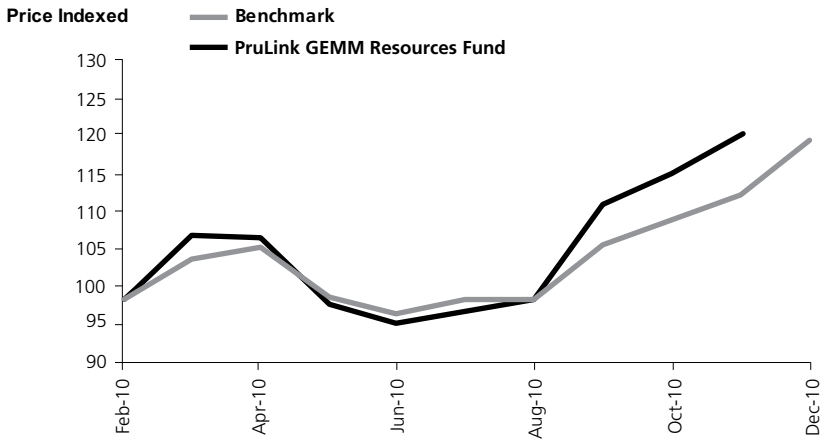
During the year, the changes over the asset allocation among the 3 key sub-sectors remained fairly stable. The fund manager has been underweighting energy while slightly overweighting base metals and gold and precious metal since the beginning of the year. The fund manager increased their allocation in gold and precious metals during Q2 2010 which he benefited from the bullish run in gold prices since Q2.

Since Q3, the fund manager has been selectively adding exposure in base metals as he saw increasing attractiveness in terms of imbalanced supply-demand, notably copper which contributed positively to performance. As for the energy sector, the fund manager has remained underweight position and has been gradually reducing allocation since the beginning of the year. In late 2010, the fund manager gradually reduced the Fund's exposure in gold and precious metals as he became skeptical about further upside from the current elevated levels.

Outlook

Fundamentals for the natural resources sector remain strong and the fund manager remains positive on the sector as a whole for 2011. From an asset allocation point of view, the fund manager would maintain a good holding in selective base metals so as to benefit from any optimism about the economic outlook while he would maintain a healthy position in gold should the environment deteriorate. On a longer term, the fund manager considers base metals to offer an attractive investment proposition, given the strong cash flow of a number of companies, continued M&A activity and the long term imbalanced demand-supply situation. Within base metals, the fund manager continues to favour copper as upcoming supply additions will likely not be sufficient to meet both declining production from existing mines and increasing demand. Within the precious metal space, the fund manager believes gold will continue to perform well over the long term as gold has an increasing role in Central Banks' monetary reserves and retail demand from emerging markets continue to provide strong price support. Importantly, it will serve as a great portfolio diversifier should the OECD recovery fails to materialize.

The above information on the PruLink GEMM Resources Fund is provided by JPMorgan Asset Management (UK) Limited.



Fund Details

PruLink GEMM Resources Fund

Launch Date	20 Jan 2010
Bid Price (as at 31 Dec 2010)	$1.228
Offer Price (as at 31 Dec 2010)	$1.293

Risk Classification

Narrowly Focused – Higher Risk

Net Investment Return (for period under review – 1 Jan 2010 to 31 Dec 2010)	
PruLink GEMM Resources Fund	N/A
HSBC Gold, Mining & Energy Total Return Net	N/A

Net Investment Return (since inception of the fund)	
PruLink GEMM Resources Fund	29.29%
HSBC Gold, Mining & Energy Total Return Net	19.33%

PruLink Singapore Growth Fund

FUND OBJECTIVE

The PruLink Singapore Growth Fund (the "Fund") aims to provide policyholders with medium to long-term capital growth from a portfolio of Singapore equities.

Market and Fund Review

Singapore equities rose in the year under review. Investors were attracted to the island-state's defensive characteristics amid fears that sovereign debt risks in Europe would stall the global recovery. Upbeat economic data also lifted sentiment: the economy staged a broad-based recovery at the start of 2010 and ended the year on a record high, with full-year GDP rising by 14.7%. A rebound in exports and increased tourist arrivals helped Singapore become the second-fastest growing economy in the world. Household net worth rose to an all-time high of $1.2 trillion in the third quarter, aided by the turnaround in global equity markets.

With rapid growth, inflation quickened, lending to a surge in real estate prices. These developments forced the government to introduce stringent anti-speculation measures and allow the Singapore dollar to appreciate. Over the year, the currency gained by more than 8% against the US dollar. Towards the period end, expectations of a second round of US quantitative easing outweighed fears surrounding China's monetary tightening and gave equities a final fillip.

In comparison, Singapore equities outperformed the broader MSCI Asia Pacific Equity index but lagged neighbours Thailand and Indonesia.

The Fund did well relative to its benchmark because of positive asset allocation and stock selection.

At the stock level, Jardine Strategic contributed most to relative return. The regional conglomerate gained from solid results across its underlying businesses, including Hongkong Land, Dairy Farm and Indonesia's Astra International. A tender offer to buy back its own shares also bolstered its share price. The next biggest performance contributor was Wilmar International, an integrated agri-business company, which the Fund does not hold, that was hurt by tax fraud allegations in Indonesia. The Fund's holding in Fraser & Neave was also beneficial. The company's shares rose on the back of continued non-core divestments and as Japanese brewer Kirin became its largest shareholder after buying Temasek's stake.

In contrast, the Fund's lack of exposure to Genting Singapore, Hongkong Land and Jardine Matheson hurt performance. Genting's profits rose on the unexpected success of its Singapore casino operations. Meanwhile, the Fund has exposure to property developer Hongkong Land and conglomerate Jardine Matheson through the aforementioned holding in Jardine Strategic, which did well.

Key changes to portfolio

During the year, the fund manager introduced BreadTalk Group. The operator of retail food outlets has a good track record in the region, possesses a strong balance sheet and valuations are reasonable given its exposure to China. The fund manager also bought systems integrator CSE Global, which has a good record of growing the business, particularly in the oil and gas, infrastructure, mining and healthcare sectors, as well as managing costs effectively. The fund manager also initiated a holding in DBS Bank after the new management began refocusing on its core markets and strengths. Against its peers, the lender's shares appeared relatively attractive.

Against this, the fund manager divested K-Green Trust, which he had received as an in-specie distribution from their holding in Keppel Corp.

Outlook

Following a record expansion in 2010 that was due largely to the low-base effects from the previous year, economic growth is set to slow in the year ahead. Nonetheless, Singapore's economic fundamentals remain robust. Tourism is expected to contribute 6-7% of GDP in 2011, up from 5% this year. Corporate sentiment is also upbeat, reflecting the strength of balance sheets. The fund manager remains committed to investing in quality businesses that are backed by solid fundamentals and whose operations have an exposure to the region.

The above information on the PruLink Singapore Growth Fund is provided by Aberdeen Asset Management Asia Limited.

Fund Details

PruLink Singapore Growth Fund

Launch Date	5 Jul 2010
Bid Price (as at 31 Dec 2010)	$1.001
Offer Price (as at 31 Dec 2010)	$1.054

Risk Classification

Narrowly Focused – Higher Risk

Net Investment Return (for period under review – 1 Jan 2010 to 31 De 2010)	
PruLink Singapore Growth Fund	N/A
Straits Times Index (STI)	N/A

Net Investment Return (since inception of the fund)	
PruLink Singapore Growth Fund	5.41%
Straits Times Index (STI)	8.18%

Established in 1848 in the United Kingdom, Prudential plc is now one of the world's leading retail financial products and services companies. Prudential Singapore was set up in 1931, and is a wholly-owned subsidiary of Prudential plc. We offer a comprehensive range of life insurance and investment-linked products to meet the needs of our customers. To find out more, contact your Financial Consultant or call our PruCustomer Line at 1800 333 0333 today. Alternatively, you can visit our website at www.prudential.com.sg

PRUDENTIAL

Prudential Assurance Company Singapore (Pte) Limited
(Registration No. 199002477Z)
30 Cecil Street #30-01 Prudential Tower Singapore 049712
Tel: 1800 333 0333 Fax: 6734 9555 Website: www.prudential.com.sg
Part of Prudential plc