

Established in 1848 in the United Kingdom, Prudential plc is now one of the world's leading retail financial products and services companies, with over S\$789 billion\* worth of funds under management worldwide. 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 Prudential Adviser or call our PruCustomer Line at 1800-333 0 333 today. Alternatively, you can visit our website at [www.prudential.com.sg](http://www.prudential.com.sg)



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PRUDENTIAL 



## PRULINK INVESTMENTS

Report and statement of the managers for the period 1 January 2007 to 30 June 2007

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## CEO Letter

Dear PruLink Policyholder

Year 2007 began on an optimistic note with the momentum from the previous half-year pushing several stock markets to (or near) the highs last seen in 2000.

In late February, however, fears of an US-induced global recession reversed sentiment and global equity markets experienced sharp sell-offs. Market stability was quickly restored by end of first quarter, on the back of a more positive view of macro-economic issues.

For some time, investors were bracing for a "hard landing" in the US but data has been showing an underlying resilience despite the slowdown in some areas of its economy. Misplaced fears gave way to renewed confidence, and investors subsequently chased many markets to new highs.

We expect the on-going stock market momentum to continue for the remaining half-year, as long as growth continues to be strong, inflation remains under control and company earnings continue on the upside. The possibility of a sharp correction, however, cannot be summarily dismissed as the growth in global liquidity has recently begun to shrink.

While the US is experiencing a 2007 slowdown, the reverse seems true of Europe and Asia. Europe is recording high economic growth and resilient consumer spending. Asian economies, led by China and India, have been recording phenomenal expansion fuelled by domestic consumption and business investment.

The US still wields considerable influence on the global economies, so it may be early days yet to see a definite trend but the "de-coupling" of the growth theme is becoming more evident across the globe.

Judging by the overall momentum in the stock markets, we suspect that investors have also caught onto this emerging "de-coupling" phenomenon. Investors could also be focusing on 2008, in which US economic growth is again forecast to accelerate. Hence, 2007 may prove to be no more than a "speed bump".

Since the start of 2007, the steady slide in bond yields suggests that bond markets have been anticipating an interest rate cut by the US Federal Reserve Board despite its ongoing anti-inflationary policy. As the year progressed, stronger than expected official data led the Federal Reserve to not only keep interest rates steady but also maintain its firm anti-inflation bias. By early June, investors finally abandoned all hopes of a rate cut resulting in a brief sell-down.

Markets have since stabilised and bond yields are almost down to their pre sell-off range. With a few exceptions, global inflationary pressures seem largely within reasonable boundaries implying limited further upside for bond yields at this point. At current yields, equities remain more attractive vis-à-vis bonds and cash.

Against this backdrop, I am pleased to report that the majority of PruLink funds ended the half-year positively. The PruLink China-India Fund performed extremely well. It rose over 23% for the review period, in line with strong growth seen in the "emerging" markets. The PruLink Global Bond Fund, however, was a victim of the global bond sell-off but it declined less than its benchmark.


Our commitment to provide policy-holders with greater choices saw the launch of two new funds, the PruLink Currency Income Fund and the PruLink Global Property Securities Fund.

The PruLink Currency Income fund is the first investment-linked fund in Singapore to participate in multi-currency interest rate arbitrage strategies. The PruLink Global Property Securities Fund lets you invest in a liquid vehicle to tap into global property markets. In total, we now offer you a wide spectrum of 20 PruLink Funds and we will continue to introduce even more funds.

Today, Prudential remains a market leader, managing one of Singapore's largest investment-linked insurance funds. We have some \$57.3 billion under management, reflecting strong customer confidence in the investment expertise of our fund managers and in the potential of our funds.

I would like to take this opportunity to thank you for your continued support and to assure you that we will continue to manage your investments prudently.

Yours sincerely



Philip Seah  
Chief Executive Officer

## ABOUT PRUDENTIAL'S FUND MANAGERS\*

The PruLink family of funds is managed primarily by the investment arm of Prudential plc, which comprises Prudential Asset Management (Singapore) Limited, Prudential Asset Management (Hong Kong) Limited and M&G Investment Management. The Prudential Group has investment operations in major financial centres around the world, offering investment expertise in equities, bonds, real estate and venture capital. It is among the largest fund managers in the world, managing a total of over S\$789 billion<sup>1</sup>

M&G is an ultimately wholly owned subsidiary of Prudential plc. It was acquired by Prudential plc in 1999 and is not only the oldest and one of the UK's largest retail mutual fund managers but also has specialised in investment management for more than 70 years. Established in 1931, M&G introduced Britain's first ever unit trust and has continued to launch groundbreaking financial products ever since, the most recent being a range of global specialist funds. M&G's broad product range includes equity income, growth funds and fixed income. M&G funds are increasingly being offered under the Prulink range of funds.

In Asia, Prudential Asset Management (Singapore), Prudential Asset Management (Hong Kong) and Prudential Fund Management Services (Singapore) were established to provide a more focused approach to investing, new product development and customer service within Asia. Collectively, the three offices not only invest in fixed income securities and equities but also develop new funds aimed at meeting our policyholder's needs in the Asian region including Japan, Australasia and the Indian Sub-Continent. The three companies have a combined staff of 227 people of which 46 are investment professionals. The three work closely together, which allows not only for a better appreciation of regional client needs but also enables the investment team to be closer to the markets in which it seeks to identify the best investment opportunities. In addition, the fund managers enjoy direct access to the extensive global research and fund management resources and capabilities of the Prudential Group in Europe, the US and key Asian markets including Japan, China, Taiwan, Korea, India, Malaysia and Vietnam.

The third party managers comprise Fidelity Investments (Singapore) Ltd; Templeton Asset Management Ltd, LaSalle Global properties Securities and the Russell Investment Group Pte Ltd who select the best fund managers for the Adapt series of PruLink funds.

Prudential has S\$93.5billion<sup>1</sup> of funds under management in Asia, of which S\$37.6 billion<sup>1</sup> comes from Singapore. The PruLink family of funds - the second largest investment-linked insurance funds in Singapore - amounts to S\$7.3 billion<sup>1</sup>. Of the 20 PruLink funds, the PruLink Singapore Managed Fund is the largest unitised fund in Singapore, totalling S\$2.9 billion<sup>1</sup> with more than 220,000 investors having invested since its 1992 launch. Prudential Asset Management (Singapore) Limited is an approved fund manager under the CPF Investment Scheme and ranks among the top 10 fund managers in the country.

\* Refers to the Prudential Group

<sup>1</sup> Unaudited as at 30 June, 2007

## TABLE OF FUND PERFORMANCE

As at 30th June 2007

	3-Month		6-Month	
	Fund %	Benchmark %	Fund %	Benchmark %
PruLink Singapore Managed Fund	8.12	8.23	15.63	15.86
PruLink Asian Equity Fund	17.96	16.42	17.02	16.90
PruLink Global Equity Fund	6.92	7.48	7.62	9.14
PruLink Global Bond Fund	-0.53	-0.82	-0.51	-0.72
PruLink Global Managed Fund	3.32	3.27	3.71	4.17
PruLink Singapore Cash Fund	0.79	0.58	1.65	1.34
PruLink Global Technology Fund	9.49	11.92	9.18	8.65
PruLink Pan European Fund	7.26	9.73	12.12	12.81
PruLink Protected Global Titans Fund	2.30	0.62	1.80	1.24
PruLink Asian Reach Managed Fund	8.69	7.96	7.93	8.53
PruLink China-India Fund	25.89	23.75	23.69	19.21
PruLink Emerging Markets Fund	14.20	15.90	14.39	17.39
PruLink America Fund	7.83	7.05	8.02	6.62
PruLink International Bond Fund	-0.47	-0.39	-0.20	-0.18
PruLink Adapt 2015 Fund	4.35	4.00	6.74	6.73
PruLink Adapt 2025 Fund	5.71	5.48	8.13	8.26
PruLink Adapt 2035 Fund	6.47	6.18	8.92	8.95
PruLink Global Basics	14.14	10.29	18.04	14.42
PruLink Currency Income Fund	6.82	0.21	NA	NA
PruLink Global Property Securities Fund	NA	NA	NA	NA

1-Year		3-Year		5-Year		10-Year		Since Inception	
Fund %	Benchmark %	Fund %	Benchmark %	Fund %	Benchmark %	Fund %	Benchmark %	Fund %	Benchmark %
39.13	39.16	77.48	77.34	108.24	109.83	127.08	73.40	259.26	186.57
37.64	39.47	100.21	99.33	139.37	139.93	121.62	53.75	178.53	73.63
17.65	20.12	37.26	43.30	58.79	70.74	NA	NA	40.03	38.93
-0.51	-0.52	-2.08	-2.07	16.21	17.52	NA	NA	27.34	31.26
8.72	9.45	17.39	18.92	38.23	43.83	NA	NA	37.64	38.69
3.76	3.01	7.52	7.48	9.80	8.80	22.63	23.68	27.04	29.44
15.74	21.02	33.15	18.39	61.69	49.99	NA	NA	-30.05	-21.10
27.60	29.05	77.41	76.02	102.71	109.23	NA	NA	57.68	72.73
8.76	2.50	12.18	7.64	14.06	13.11	NA	NA	10.98	14.36
18.91	19.96	43.31	43.21	NA	NA	NA	NA	76.92	75.95
56.97	65.29	NA	NA	NA	NA	NA	NA	137.96	186.06
33.09	40.69	NA	NA	NA	NA	NA	NA	62.10	88.15
14.79	16.63	NA	NA	NA	NA	NA	NA	14.65	20.68
-0.36	-0.56	NA	NA	NA	NA	NA	NA	-6.92	-4.92
17.07	17.90	NA	NA	NA	NA	NA	NA	22.52	24.75
19.96	21.43	NA	NA	NA	NA	NA	NA	28.63	31.97
21.38	22.91	NA	NA	NA	NA	NA	NA	31.88	35.58
27.72	25.62	NA	NA	NA	NA	NA	NA	27.73	26.46
NA	NA	NA	NA	NA	NA	NA	NA	9.80	0.27
NA	NA	NA	NA	NA	NA	NA	NA	-8.03	-7.24

## **Changes to PruLink Funds**

### **Notification of change in Trustee for Underlying Funds**

We wish to inform you that RBC Dexia Trust Services Singapore Limited, the current trustee of the Underlying Fund for some of our PruLink Funds, will be retiring as trustee on or around 1 November 2007 (the "Effective Date"). The new trustee appointed for the Fund will be HSBC Institutional Trust Services (Singapore) Limited .

The proposed change of trustee is not expected to result in a material change in the trustee fee payable by the Fund. This notice is for your information only and no action is required to be taken by you.

## **PRULINK FUNDS**

Report and Statements of the Managers

for the period from 1 January 2007 to 30 June 2007

### **PruLink Singapore Managed Fund**

#### **FUND OBJECTIVE**

The PruLink Singapore Managed 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.

#### **FUND PERFORMANCE**

##### **PruLink Singapore Managed Fund**

For the six-months ended 30 June 2007, the PruLink Singapore Managed Fund rose 15.63%, keeping pace with its benchmark's<sup>1</sup> 15.86% gain. Since its November 1992 inception, the Fund has achieved a cumulative return of 259.26%, which compares favourably against the benchmark return of 186.57%, (which represents an outperformance of 72.69%). As at 30 June 2007, the fund's bid and offer prices were \$3.41299 and \$3.59262 respectively.

The Fund's double digits gains for the review period were driven mainly by the strong performance of the Singapore equity market. The MSCI Singapore Free Index Total Return Gross gained 21.55% in Singapore dollar terms, with the index recording an all time high. Apart from the pull back in late February/March, the rallies that commenced in the second half of 2006 continued to fuel more run ups in the Singapore stock market since the start of the year. On the fixed income front, fund flows drove the volatility of the local government bond market up in the first half of the year. 10-year yields hit a high of 3.24% in February but fell to a low of 2.54% in May as Monetary Authority of Singapore attempted to weaken the Singapore dollars. In line with the global bond sell off, yields made a u-turn to end the first half of the year at 2.86%. The UOB Singapore Government Bond Index (All) gained 2.86% over the same period.

Against this backdrop, the Fund's strategy to generally overweight equities and underweight bonds was thus rewarding. Apart from the positive asset allocation, the Fund's good stock selection also added significantly to the outperformance against its benchmark. In particular, property stocks such as Allgreen Properties and SC Global Developments benefited the Fund substantially as the stocks rallied amidst a pick up in the residential property prices and transactions. Overweight index stocks such as SPC, Keppel Land and Keppel Corp also contributed positively to relative returns. The Fund's off benchmark bets in Hotel Properties, Yongnam Holdings and Rotary Engineering also added value. Likewise, underweight stocks such as Chartered Semiconductor, SMRT and Singapore Telecommunications worked well for the Fund.

The Fund has generally maintained an underweight position in bonds into cash and equities over the review period, although we did trim the Fund's equity holdings in February/March amid rising uncertainties. On hindsight, the move was too cautious as equities continued to rally

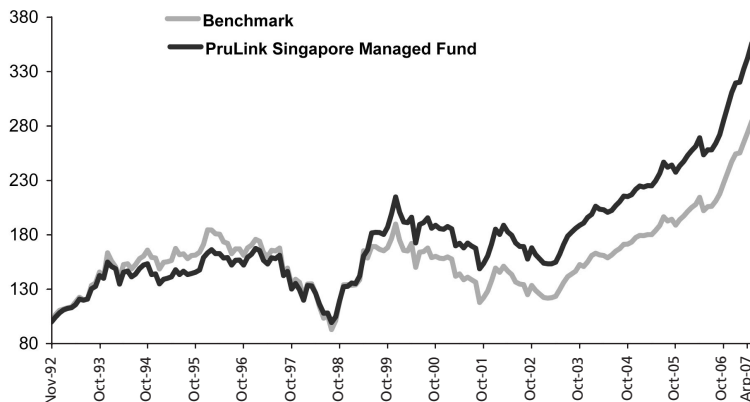
<sup>1</sup> The benchmark comprises 70% MSCI Singapore Free Index plus 30% UOB All Index.



after the brief late February/early March sell off. Nevertheless, we added back equities in April as we gained more clarity on the global economic outlook, which proved beneficial as the domestic equity market continued to scale higher to reach a record high by the end of June.

The strong gains in the market has led to Prudential turning more cautious on Singapore equities as overall market valuations are no longer attractive relative to its own history as well as to the other regional markets in Asia. However, in view of the buoyant economy, there is a possibility that corporate earnings could be revised upwards. Moreover, equities remain attractive vis-à-vis domestic bonds. As such, we remain underweight bonds into equities and cash. Given the relatively flat yield curve, the bond sub-fund remains short duration relative to its benchmark. In our opinion, cash offers better risk adjusted returns relative to bonds.

### Price Indexed



## At a Glance

### PruLink Singapore Managed Fund

Launch Date

24 Sep 1992

**Bid Price** (as at 30 June 2007)

\$3.41299

**Offer Price** (as at 30 June 2007)

\$3.59262

### Net Investment Return (for period under review - 31 Dec 2006 to 30 Jun 2007)

Actual PruLink Singapore Managed Fund

15.63%

70% MSCI Singapore Free Index + 30% UOB All Index

15.86%

### Net Investment Return (since launch of fund)

Actual PruLink Singapore Managed Fund

259.26%

70% MSCI Singapore Free Index + 30% UOB All Index

186.57%

### Risk Classification

Narrowly Focused - Medium to High Risk

### Fund Performance\* based on Bid Price

	Fund	Benchmark	Outperformance
YTD 2007	15.63%	15.86%	-0.23%
Year 2006	25.55%	25.34%	0.21%
Year 2005	11.58%	11.15%	0.43%
Year 2004	13.19%	14.49%	-1.30%
Year 2003	24.03%	23.36%	0.67%
Year 2002	-7.97%	-8.90%	0.93%
Year 2001	-7.28%	-12.73%	5.45%
Year 2000	-13.77%	-16.78%	3.01%
Year 1999	61.90%	41.48%	20.42%
Year 1998	2.25%	-1.44%	3.69%
Year 1997	-19.98%	-20.05%	0.07%
Year 1996	1.85%	-0.53%	2.38%
Year 1995	10.45%	7.99%	2.46%
Year 1994	-7.00%	-2.96%	-4.04%
Year 1993	42.91%	47.71%	-4.80%

\* Calculation of fund performance starts from 3 Nov 1992.

## **PruLink Asian Equity Fund**

### **FUND OBJECTIVE**

The PruLink Asian Equity Fund aims to maximise long-term 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.

### **FUND PERFORMANCE**

#### **PruLink Asian Equity Fund**

The PruLink Asian Equity Fund gained 17.02% in the review period, ahead of its MSCI AC Far East Free ex-Japan benchmark's<sup>2</sup> gain of 16.90%. Since its November 1995 inception, the PruLink Asian Equity Fund has achieved a cumulative return of 178.53%, which compares favourably against the benchmark's 73.63% gain (which represents an outperformance of 104.90%). As at 30 June 2007, the fund's bid and offer prices were \$2.33148 and \$2.45418 respectively.

Regional markets performed well during the review period except for the "growth jitters" episode early in the year which resulted in a short-lived sell-off contagion. The fund's out performance was in line with the market gains as well as individual stock selection.

Stock selection in China, India and Hong Kong, particularly in energy and resources, largely generated the Fund's outperformance while stock selection in Korea restrained performance.

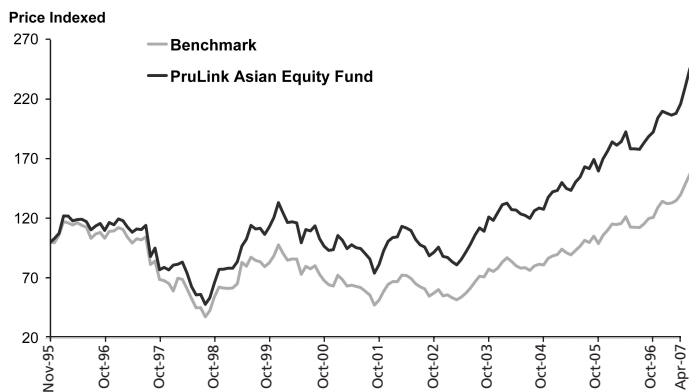
China coal producers Yanzhou Coal Mining and China Shenhua Energy contributed to performance from growing demand for coal and the consequent benefits of rising prices. The electricity generating company China Resources Power also helped performance, as did the oil company Petrochina. India's GVK Power & Infrastructure contributed positively and exposes the fund to Indian infrastructure. Investors have begun pricing in the rising value of GVK's airport concession. Our underweight position in Hong-Kong-listed electric utility, CLP and an overweight in China Lotsynergy, a lottery company, aided performance.

The Fund suffered in Korea because our value-seeking investment philosophy was eclipsed by demand for stocks made popular by their momentum. Several "old economy" sectors such as shipbuilding, steel and construction companies are exhibiting strong short-term profit growth, but we think their valuations fail to discount an eventual cyclical downturn.

<sup>2</sup> The benchmark comprises 70% MSCI Singapore Free Index and 30% UOB Singapore Government Bond index.

The Fund sold down and closed a position in the aforementioned China's Shenhua Energy and used the proceeds to establish a position in Yanzhou Coal. A position was established in Petrochina because the China's largest oil company offers strong cash flow and a 5% dividend that we believe is sustainable even if oil prices weaken. A holding in Singapore-listed City Developments was closed and one in Korea-listed Hana Financial was trimmed to fund positions in China's mobile phone sector - our stake on China Mobile was raised and a position was established in China Unicom.

We remain positive about Asian equities for the medium term given the region's strong macroeconomic fundamentals, modestly-gearred balance sheets and ample liquidity. The key risks remain exogenous - sharper-than-expected export slowdown, oil shocks and sudden drops in the appetite of investors for risky assets.



## At a Glance

### PruLink Asian Equity Fund

Launch Date 1 Oct 1995

**Bid Price** (as at 30 June 2007) \$2.33148

**Offer Price** (as at 30 June 2007) \$2.45418

#### Net Investment Return (for period under review - 31 Dec 2006 to 30 Jun 2007)

Actual PruLink Asian Equity Fund 17.02%

MSCI AC Far East Free Ex Japan Index 16.90%

#### Net Investment Return (since launch of fund)

Actual PruLink Asian Equity Fund 178.53%

MSCI AC Far East Free Ex Japan Index 73.63%

#### Risk Classification

Narrowly Focused - Higher Risk

#### Fund Performance\* based on Bid Price

	Fund	Benchmark	Outperformance
YTD 2007	17.02%	16.90%	0.12%
Year 2006	18.96%	21.98%	-3.02%
Year 2005	23.84%	24.11%	-0.27%
Year 2004	13.80%	13.03%	0.77%
Year 2003	41.65%	41.93%	-0.28%
Year 2002	-12.51%	-14.74%	2.23%
Year 2001	7.39%	2.08%	5.31%
Year 2000	-29.46%	-35.08%	5.62%
Year 1999	71.54%	58.48%	13.06%
Year 1998	0.82%	-5.96%	6.78%
Year 1997	-32.84%	-40.06%	7.22%
Year 1996	6.55%	3.12%	3.43%

\* Calculation of fund performance starts from 1 Nov 1995.

## **PruLink Global Equity Fund**

### **FUND OBJECTIVE**

The PruLink Global Equity Fund aims to maximise long-term total return by investing in equity securities listed or to be listed on global stock exchanges. These exchanges would include, but are not limited to, the major exchanges located in North America, Europe and Asia Pacific.

### **FUND PERFORMANCE**

#### **PruLink Global Equity Fund**

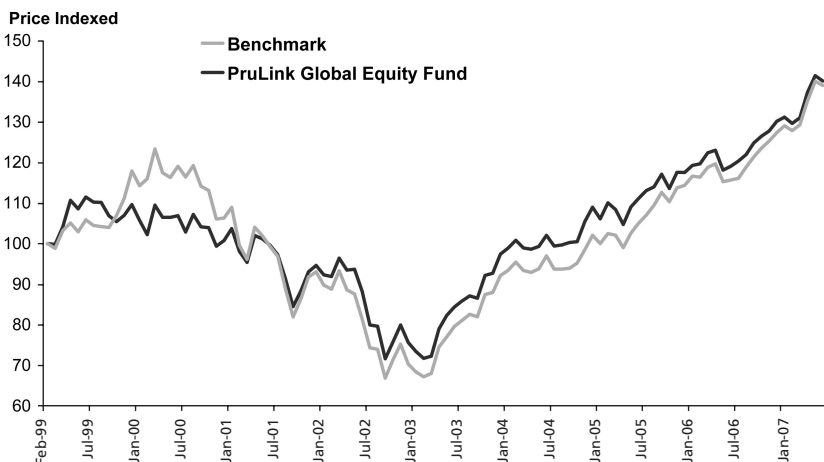
The PruLink Global Equity Fund ended 7.62% higher in the first half of 2007, lagging behind its MSCI World Free benchmark's gain of 9.14%. Since its February 1999 inception, the fund has posted a cumulative return of 40.03%, ahead of its benchmark 38.93% gain, (which represented an outperformance of 1.10%). The Fund's bid and offer prices as at 30 June 2007 were S\$1.32747 and S\$1.39733 respectively.

Global markets went through a period of marked volatility in the first quarter as the Chinese government clamped down on rampant stock speculation and as problems came to light in the US subprime mortgage market. Markets have mostly recovered and the Global Equity Fund has benefited from valuations trading at or close to their highest levels for many years.

The overweight exposure to Europe has been very positive as Europe continues to grow, fuelled by consumer spending and corporate investment. European equities returned 13% at the end of June. In addition, the Fund benefited from its early overweight position in Asia which delivered exceptional returns of 18%. The Fund benefited from being underweight US equities which lagged European and Pacific markets. Equity selection has hurt performance in some areas but this has been balanced by good performance from other stocks.

Tactical asset allocation positions taken during the first half of the year also enhanced returns for the Fund. The Fund was 0.50% long Asia, 0.50% long Europe and 1.00% short US for most of the period. However we took away the overweight exposure to Asia and increased that of Europe as Asian equities got re-rated strongly in the second quarter. Throughout the period, the fund was overweight Banks, Telecoms and Construction which have had attractive valuations. The fund was underweight Financials and Technology stocks.

We continue to believe that there is value in global equities. Current equity valuations are underpinned by good corporate profits and a high level of merger and acquisition activity by private equity firms flush with cash. We continue to be impressed by decent macro-economic performance, at least outside the US and Japan, even as analysts have started to upgrade estimates. Future equity rises will depend crucially on corporate earnings. We continue to like Europe and the UK and selected Asia markets like Thailand, Taiwan and South Korea where growth momentum is strong. This region is expected to deliver the strongest growth globally in 2007.



## At a Glance

### PruLink Global Equity Fund

Launch Date 5 Oct 1998

**Bid Price** (as at 30 June 2007) \$1.32747

**Offer Price** (as at 30 June 2007) \$1.39733

#### Net Investment Return (for period under review - 31 Dec 2006 to 30 Jun 2007)

Actual PruLink Global Equity Fund 7.62%

MSCI World Free Index 9.14%

#### Net Investment Return (since launch of fund)

Actual PruLink Global Equity Fund 40.03%

MSCI World Free Index 38.93%

#### Risk Classification

Broadly Diversified - Higher Risk

#### Fund Performance\* based on Bid Price

	Fund	Benchmark	Outperformance
YTD 2007	7.62%	9.14%	-1.52%
Year 2006	10.74%	11.33%	-0.59%
Year 2005	7.83%	12.07%	-4.24%
Year 2004	11.89%	10.77%	1.12%
Year 2003	28.76%	30.97%	-2.21%
Year 2002	-20.07%	-24.42%	4.35%
Year 2001	-6.07%	-12.46%	6.39%
Year 2000	-8.10%	-9.85%	1.75%

\* Calculation of fund performance starts from 1 Feb 1999.

## **PruLink Global Bond Fund**

### **FUND OBJECTIVE**

The PruLink Global Bond 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.

### **FUND PERFORMANCE**

#### **PruLink Global Bond Fund**

The PruLink Global Bond Fund fell 0.51% over the first half year, which was lesser than its Salomon World Government Bond benchmark's loss of 0.72%. Since its February 1999 inception, the PruLink Global Bond Fund achieved a cumulative return of 27.34%; its benchmark rose 31.26%, representing a 3.92% underperformance. The Fund's bid and offer prices as at 30 June 2007 were \$1.209702 and \$ 1.27336 respectively.

The dismal performance of the PruLink Global Bond Fund was due mainly to the lacklustre performance of the global bond markets. Global bonds began year 2007 on a weak note. The global bond sell-offs that began in early December 2006 continued throughout most of January. Longer dated higher quality bonds such as government bonds, however, benefited from the late February equity sell-off as investors sought safety in bonds. The trend reversed sharply by end of March as investors shook off short-lived risk aversion and bid up risky assets all the way through to May. Inflation and interest rate hike fears returned in early June triggering a global bond sell-off and pushed US 10-year Treasuries yield to a 5 year high.

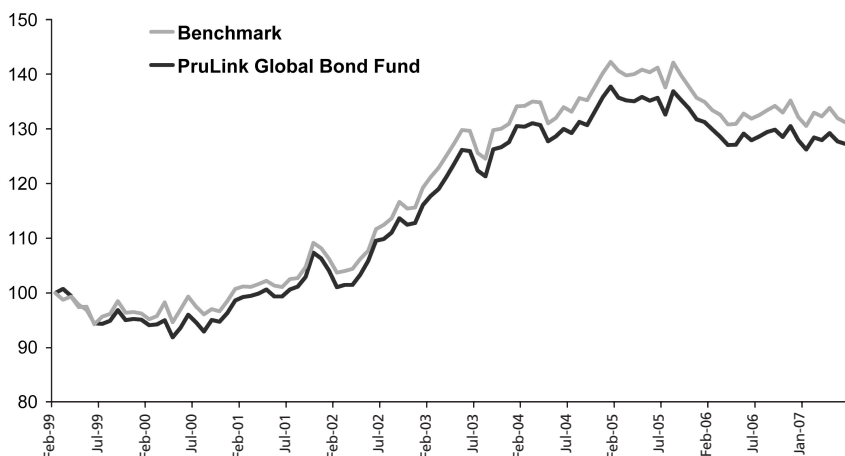
Against this backdrop, country allocation added value for the review period whilst securities selection detracted value. In country allocation, overweight German, Canadian, Polish and Norwegian government bonds added significant value. They were, however, moderated by the underweight in US, French and Italian government bonds. The Fund's cash holdings also detracted value. The negative securities selection was attributed mainly to Dutch, Canadian, French and Italian bond selection. This was, however, mitigated by the positive UK, Japanese and Swedish bond selection.

Over the review period, the Fund has moved from an overweight to underweight in European bonds, and shifted from an underweight to overweight in US bonds. The move was driven by our view that US bonds were less expensive compared to European bonds, from a medium term real rate of return perspective. In addition, with the US Federal Reserve seemingly more ahead in terms of its credit tightening cycle, we believe US bonds prices should be better supported vis a vis Euro bonds. Elsewhere, the Fund has closed its underweight tilt in Japan to neutral.

Looking forward, the bond market in Europe could be subject to disappointment if interest rates rise more than expected. The US bond market appears fairly valued following the sell-off in June while Japanese government bonds will likely come under further downward pressure as the Bank of Japan edges its way towards interest rates rises.



## Price Indexed



## At a Glance

### PruLink Global Bond Fund

Launch Date 5 Oct 1998

**Bid Price** (as at 30 June 2007) \$1.20970

**Offer Price** (as at 30 June 2007) \$1.27336

#### Net Investment Return (for period under review - 31 Dec 2006 to 30 Jun 2007)

Actual PruLink Global Bond Fund -0.51%

Salomon World Government Bond Index -0.72%

#### Net Investment Return (since launch of fund)

Actual PruLink Global Bond Fund 27.34%

Salomon World Government Bond Index 31.26%

#### Risk Classification

Broadly Diversified - Low to Medium Risk

#### Fund Performance\* based on Bid Price

	Fund	Benchmark	Outperformance
YTD 2007	-0.51%	-0.72%	0.21%
Year 2006	-2.54%	-2.08%	-0.46%
Year 2005	-4.72%	-5.14%	0.42%
Year 2004	5.55%	6.06%	-0.51%
Year 2003	12.48%	12.51%	-0.03%
Year 2002	11.53%	12.25%	-0.72%
Year 2001	5.55%	5.48%	0.07%
Year 2000	3.72%	4.67%	-0.95%

\* Calculation of fund performance starts from 1 Feb 1999.

## **PruLink Global Managed Fund**

### **FUND OBJECTIVE**

The PruLink Global Managed Fund aims to maximise total return in the medium to long term by investing primarily in a portfolio comprising of equities and equity-related securities of companies listed or to be listed on global stock exchanges, and in a diversified portfolio of debt securities denominated in any currency.

### **FUND PERFORMANCE**

#### **PruLink Global Managed Fund**

The PruLink Global Managed Fund gained 3.71% in the review period, underperforming its benchmark's<sup>3</sup> gain of 4.17%. Since its February 1999 inception, the PruLink Global Managed Fund returned a cumulative 37.64%, falling slightly behind its benchmark's gain of 38.69% by 1.05%. The Fund's bid and offer prices as at 30 June 2007 were \$1.2938 and \$1.36189 respectively.

The first half of the year has clearly been an equity story. Apart from the initial period of marked volatility in the first quarter, global equity markets have performed exceedingly well, driven by better than expected global macroeconomic news. Apart from the early June global bond sell-offs triggered by inflation and interest rate fears, bonds have generally had a dismal performance; rising only during the occasional bouts of 'flight to quality' syndrome.

On equities, the overweight exposure to Europe and Asia has been very positive with both these markets delivering exceptional returns of 13% and 18% respectively as at the end of June on the back of good economic and corporate news. The Fund benefited from being underweight US equities which lagged European and Pacific markets. Equity selection has hurt performance in some areas but this has been balanced by good performance from other stocks.

The bond sub-fund benefited from overweight country allocation in German, Polish, Canadian and Norwegian government bonds but at the same time underweight in US, French and Italian government bonds moderated the gains. Meanwhile, securities selection, in particular the Dutch, Canadian, French and Italian bonds caused a drag on the funds but this was mitigated to some extent by the positive UK, Japanese and Swedish bond selection.

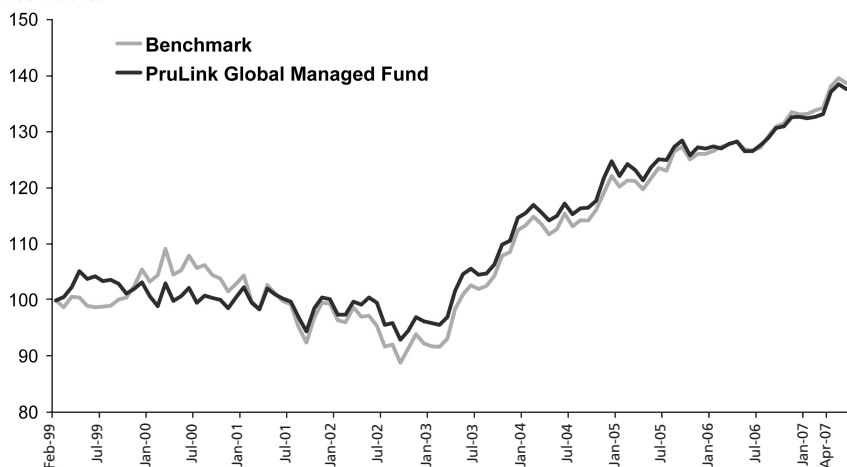
As Asian equities got re-rated strongly in the second quarter, the equity sub-fund took away the overweight exposure to Asia and increased that of Europe. Throughout the period, the equity sub-fund was overweight Banks, Telecoms and Construction which have had attractive valuations and underweight Financials and Technology stocks.

<sup>3</sup> A composite of 50% MSCI World Free Index and 50% Salomon World Government Bond Index

Over the review period, the bond sub-fund has moved from an overweight to underweight in European bonds, and shifted from an underweight to overweight in US bonds. The move was driven by our view that US bonds were less expensive compared to European bonds, from a medium term real rate of return perspective. Elsewhere, the Fund has closed its underweight tilt in Japan to neutral.

Overall, Prudential believes that the global economic background and valuations remain supportive of equities, which continue to offer better value than bonds. Attractive equity markets include Europe and the UK and selected Asia markets like Thailand, Taiwan and South Korea where growth momentum is strong. Meanwhile on bonds, the markets in Europe and Japan could be subject to disappointment if interest rates rise more than expected while there is some value in long dated US bonds following the sell-offs in June.

## Price Indexed



## At a Glance

### PruLink Global Managed Fund

Launch Date

5 Oct 1998

**Bid Price** (as at 30 June 2007)

\$1.29380

**Offer Price** (as at 30 June 2007)

\$1.36189

### Net Investment Return (for period under review - 31 Dec 2006 to 30 Jun 2007)

Actual PruLink Global Managed Fund

3.71%

50% MSCI World Free Index + 50% Salomon World Government Bond Index

4.17%

### Net Investment Return (since launch of fund)

Actual PruLink Global Managed Fund

37.64%

50% MSCI World Free Index + 50% Salomon World Government Bond Index

38.69%

### Risk Classification

Broadly Diversified - Medium to High Risk

### Fund Performance\* based on Bid Price

	Fund	Benchmark	Outperformance
YTD 2007	3.71%	4.17%	-0.46%
Year 2006	4.46%	4.54%	-0.08%
Year 2005	1.82%	2.11%	-0.29%
Year 2004	8.76%	8.00%	0.76%
Year 2003	19.16%	19.42%	-0.26%
Year 2002	-3.93%	-5.00%	1.07%
Year 2001	-0.32%	-3.79%	3.47%
Year 2000	-2.61%	-3.37%	0.76%

\* Calculation of fund performance starts from 1 Feb 1999.

## **PruLink Global Technology Fund**

### **FUND OBJECTIVE**

The investment objective of the PruLink Global Technology 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.

### **FUND PERFORMANCE**

#### **PruLink Global Technology Fund**

The PruLink Global Technology Fund gained 9.18%, outperforming its FTSE World Info Tech benchmark's gain of 8.65% over the review period. Since its 4 May 2001 inception, the Fund has fallen 30.05%. In comparison, its benchmark declined 21.10% over the same period. The Fund's bid and offer prices as at 30 June 2007 were \$0.66455 and \$0.69952 respectively.

After a difficult start to the year, good earnings results from many technology companies helped renew confidence in the sector. Investors were also spurred on by better-than-expected US economic data, which showed that consumer spending had yet to show the impact of the slowdown in the housing market.

US medical testing company Biosite led the review period's positive contributors on the back of strong increase in share price following a takeover offer by Beckman Coulter, a maker of laboratory and diagnostic equipment. Healthy earnings growth from Nuance Communications which saw an increase in uptake of its speech recognition software in call centres and Flir Systems, a manufacturer of thermal imaging systems, which benefited from growing demand for its infrared technology, added to the fund's performance. German engineering giant, Siemens too went from strength to strength as the company revealed strong growth in earnings following extensive restructuring.

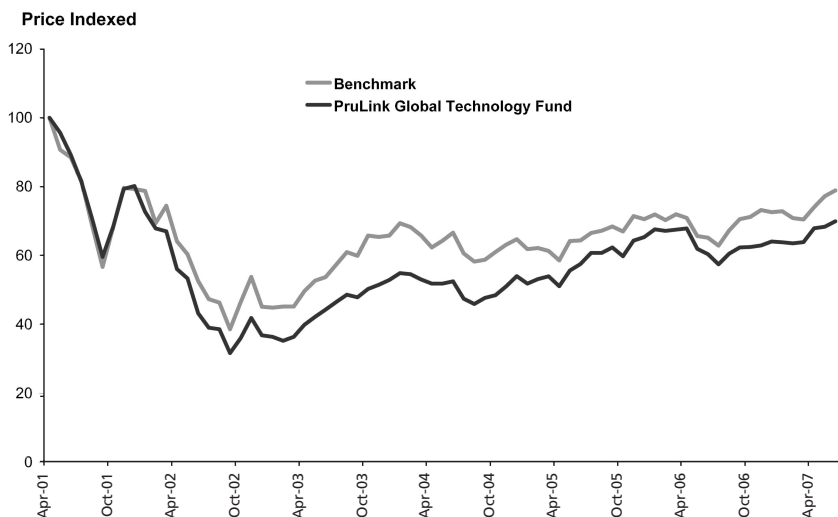
Less positively, a position in Palomar Medical Technologies, acted as a drag on the Fund's performance. Shares in the manufacturer of hair removal technologies tumbled following disappointing revenues for the fourth quarter of 2006 and concerns on growing competition.

Shares in Bio-Rad Laboratories, a drugs manufacturer, were pulled lower by uncertainty over the company's margins. Performance was also dampened by a lack of exposure to some of the benchmark's biggest holdings, including Nokia, Apple and Google, which fared well during the first half of the year. The fund manager nevertheless continues to believe that there is less relative value in these major index constituents than in specific companies that are using innovation to generate higher returns over the long term.

During the review period, the fund recorded profits after selling off holdings in networking equipment provider Cisco Systems and computer giant Hewlett Packard. The fund also exited a holding in flash-memory card maker SanDisk, believing the company is no longer attractively valued in what is an increasingly commoditised industry.

Meanwhile, positions were initiated in health and personal care conglomerate Johnson & Johnson and mobile phone group Motorola based on the view that investors are overly pessimistic about the strength of future earnings growth from both companies. Although Johnson & Johnson's personal care division is performing well, investors seem concerned about the company's pharmaceutical business, in particular its product pipeline. With regards to Motorola, investors have doubts about the company's product replacement cycle; in particular its ability to replace the Razr mobile phone with a new model. The fund manager feels otherwise and believes Motorola's returns will be supported by other strong business areas.

We are confident that the fund's rigorous and repeatable investment process, which is focused on identifying undervalued innovation, will continue to deliver strong returns for investors, irrespective of the market environment. We will continue to seek out companies that have the ability to deliver value for shareholders over the longer term through positive change and investment in research & development.



## At a Glance

### PruLink Global Technology Fund

Launch Date 1 Apr 2001

**Bid Price** (as at 30 June 2007) \$0.66455

**Offer Price** (as at 30 June 2007) \$0.69952

#### Net Investment Return (for period under review - 31 Dec 2006 to 30 Jun 2007)

Actual PruLink Global Technology Fund 9.18%

FTSE World IT Index 8.65%

#### Net Investment Return (since launch of fund)

Actual PruLink Global Technology Fund -30.05%

FTSE World IT Index -21.10%

#### Risk Classification

Narrowly Focused - Higher Risk

#### Fund Performance\* based on Bid Price

	Fund	Benchmark	Outperformance
YTD 2007	9.18%	8.65%	0.53%
Year 2006	-2.00%	2.88%	-4.88%
Year 2005	20.98%	9.05%	11.93%
Year 2004	2.12%	-1.64%	3.76%
Year 2003	43.64%	45.79%	-2.15%
Year 2002	-54.07%	-43.09%	-10.98%

\* Calculation of fund performance starts from 4 May 2001.

## **PruLink Pan European Fund**

### **FUND OBJECTIVE**

The investment objective of the PruLink Pan European 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.

### **FUND PERFORMANCE**

#### **PruLink Pan European Fund**

The Fund rose 12.12% over the review period, while its FTSE World Europe (including UK) benchmark had a 12.81% gain. Since its 4 May 2001 inception, the PruLink Pan European Fund has returned a cumulative 57.68% vis-à-vis the benchmark's return of 72.73%. The bid and offer prices of the Fund, as at 30 June 2007, were \$1.4980 and \$1.57684 respectively.

European equities fared well in the first half of 2007, outperforming their US and Japanese peers. Optimism in the region's economy, vigorous growth in profits and takeover activity were the main drivers of this performance.

During the review period, good stock picks from the industrial metals sector added significant value to the Fund's return. In particular, German metal distributor Kloeckner and Greek metal manufacturer Sidenor made notable contributions to performance. Both firms benefited from rising steel prices due to growing global demand for the metal.

A relatively large exposure to the industrial engineering sector through positions in carbon and graphites products manufacturer, SGL Carbon and paints, manufacturer, Duerr also had a positive influence on the portfolio. The former impressed investors with a 44% upturn in profits for 2006, thanks to growing requirements for electrodes in Asia while the latter saw its profits rise following a successful restructuring programme that has improved the company's focus on paint shops.

On the downside, performance was dampened by a holding in Swedish healthcare group Elekta after disappointing earnings announcement hurt investor sentiment. Despite this setback, fund manager has confidence in Elekta's latest products and expects them to boost the company's long-term earnings growth.

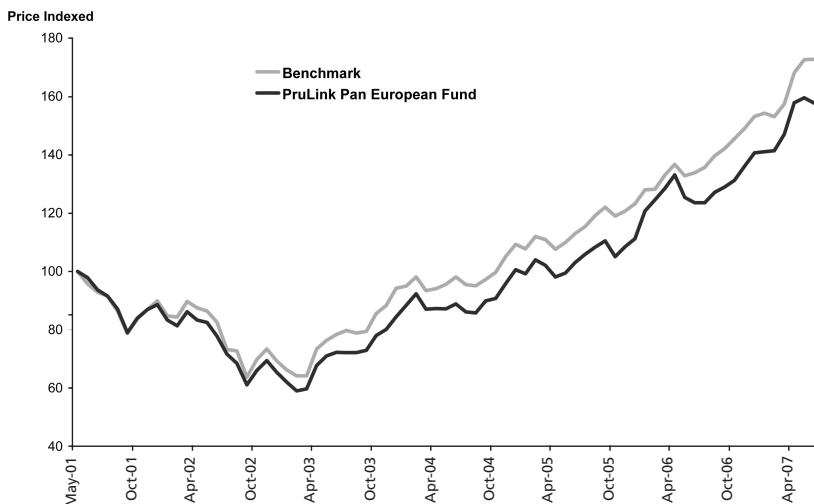
Holdings in Irish drinks manufacturer and distributor C&C Group were sold due to concerns about the resilience of the company's business model. Nevertheless the stock made a significant contribution to the Fund's performance, rising nearly 100% in the second half of 2006. Positions



in Irish bread distributor IAWS and French kaolin manufacturer Imerys were also closed, following their strong performance over the previous 12 months. As part of a strategy to move further up the capitalisation scale, the fund manager decreased exposure to smaller companies through the closure of holdings in French nickel producer Eramet and financial services provider Cash Life.

Meanwhile, a position was established in German car manufacturer DaimlerChrysler following the company's divestment of the problem-ridden Chrysler division thereby, helping the stock to perform strongly. The fund manager believes there is hidden potential in the firm's Mercedes and truck divisions, where returns have been low compared with those of the competition. Holdings were also initiated in French media giant Vivendi and Surteco, a dominant niche market German manufacturer of veneers for the edges of furniture on expectations that both companies will create value for shareholders.

Although there may be periods of short-term volatility ahead, the outlook for European equities remains encouraging. The corporate sector is still in robust health and earnings results have been generally favourable. We believe this stable backdrop should help European companies to overcome any potential challenges, most notably rising inflation.



## At a Glance

### PruLink Pan European Fund

Launch Date 1 Apr 2001

**Bid Price** (as at 30 June 2007) \$1.49800

**Offer Price** (as at 30 June 2007) \$1.57684

#### Net Investment Return (for period under review - 31 Dec 2006 to 30 Jun 2007)

Actual PruLink Pan European Fund 12.12%

FTSE Eurotop 300 Index 12.81%

(Since inception to 31 Dec 2004)/FTSE World Europe (incl UK) Index (Since 1 Jan 2005).

#### Net Investment Return (since launch of fund)

Actual PruLink Pan European Fund 57.68%

FTSE Eurotop 300 Index 72.73%

(Since inception to 31 Dec 2004)/FTSE World Europe (incl UK) Index (Since 1 Jan 2005).

#### Risk Classification

Narrowly Focused - Higher Risk

#### Fund Performance\* based on Bid Price

	Fund	Benchmark	Outperformance
YTD 2007	12.12%	12.81%	-0.69%
Year 2006	26.45%	24.28%	2.17%
Year 2005	10.56%	12.72%	-2.16%
Year 2004	19.11%	15.99%	3.12%
Year 2003	29.00%	35.74%	-6.74%
Year 2002	-26.13%	-22.80%	-3.33%

\* Calculation of fund performance starts from 4 May 2001.

## **PruLink Protected Global Titans Fund**

### **FUND OBJECTIVE**

The investment objective of the PruLink Protected Global Titans Fund is to achieve long-term capital growth by gaining exposure to top global multinational companies through the Dow Jones Global Titans 50 IndexSM while at the same time providing protection against the 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.

### **FUND PERFORMANCE**

#### **PruLink Protected Global Titans Fund**

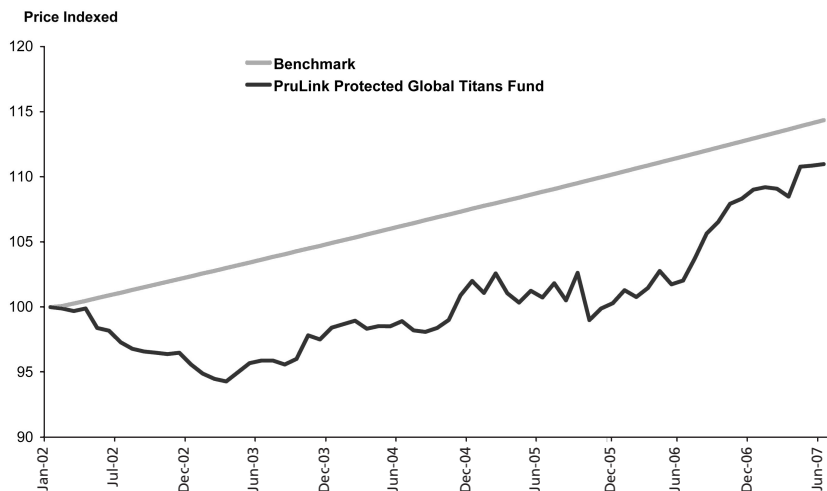
The PruLink Protected Global Titans Fund (\$\$) gained 1.80% over the six months review period, outperforming its CPF Ordinary Account interest rate benchmark, which yielded 1.24%. Since its 16 January 2002 inception, the Fund has posted a gain of 10.98%, while its benchmark gained 14.36%. As at 30 June 2007, the bid and offer prices of the Fund were \$1.10980 and \$1.16821 respectively.

After a good 2006 and a promising January 2007, the Global Titans index faltered in the lead-up to February's sell-off as investor attention swung towards the higher risk, growth markets. Until then, and for much of the preceding year, the index had performed in line with the world market as larger companies came into favour on hopes of US interest rate cuts.

The Global Titans index survived February's selling well, falling in line with the world index. This global selling proved short-lived. As investors accepted that US rates were not destined to fall and that global growth was continuing (especially in the emerging economies), interest again swung decisively away from the larger stocks. The result was that although the Global Titans index rose in line with the world index, it again lagged those markets aligned with growth.

A major reason for this underperformance was the lacklustre performance of the major banks, which suffered as investors felt that slower growth would lead to slower loans growth. Despite this large drag, the good news was that the index rebounded in line with the world index in the post-March bounce-back. The first half drag also seems to be ending as it looks as though there will be no early cut in interest rates and economic growth remains solid in the major economies.

Looking forward, the door is open to investors retreating towards these stocks should they modify their risk appetites. Many of the index's constituents, such as HSBC, also have strong exposures to growth markets. This suggests that the outlook for the Global Titans index is encouraging, although it is unlikely that this index will outperform unless there is a wholesale flight from growth. But as the first half illustrated, the performance should still be solid in comparison to its benchmark.



## At a Glance

### PruLink Protected Global Titans Fund

Launch Date 16 Jan 2002

**Bid Price** (as at 30 June 2007) \$1.10980

**Offer Price** (as at 30 June 2007) \$1.16821

#### Net Investment Return (for period under review - 31 Dec 2006 to 30 Jun 2007)

Actual PruLink Protected Global Titans Fund 1.80%

CPF- Ordinary Account Interest Rate 1.24%

#### Net Investment Return (since launch of fund)

Actual PruLink Protected Global Titans Fund 10.98%

CPF- Ordinary Account Interest Rate 14.36%

#### Risk Classification

Broadly Diversified - Low to Medium Risk

#### Fund Performance\* based on Bid Price

	Fund	Benchmark	Outperformance
YTD 2007	1.80%	1.24%	0.56%
Year 2006	8.69%	2.50%	6.19%
Year 2005	-1.67%	2.50%	-4.17%
Year 2004	3.63%	2.50%	1.13%
Year 2003	2.96%	2.50%	0.46%

\* Calculation of fund performance starts from 18 Jan 2002.

## **PruLink Asian Reach Managed Fund**

### **FUND OBJECTIVE**

The PruLink Asian Reach Managed Fund aims to maximise total return in the medium- to long-term by investing primarily in a portfolio comprising equities and equity-related securities and securities of companies which are incorporated, or have their area of primary activity, in Asia Pacific ex-Japan, and quality corporate bonds and other fixed income/debt securities denominated in US dollar, issued in the US market (including "Yankee" and "Global" bonds).

### **FUND PERFORMANCE**

#### **PruLink Asian Reach Managed Fund**

The Fund gained 7.93% over the review period, which was lower than its composite benchmark's<sup>4</sup> 8.53% gain. Since its inception on 24 February 2003, the Fund has achieved a cumulative return of 76.92%, which is better than its benchmark's 75.95% gain, representing an outperformance of 0.97%). As at 30 June 2007, the Fund's bid and offer prices were \$1.68075 and \$1.76920 respectively.

Despite short periods of volatility caused by recession fears, most Asian equity markets, led by China, have staged a stellar performance in the first half of the year, underpinned by positive macro fundamentals. With equities surging throughout most of the review period, bond markets were largely neglected and only caused a stir in early June when global bonds underwent a sell-off following reversal of investors' interest rate expectations from one of rate cuts to possible hikes.

China, Australia and Indonesia made strong positive contributions to the Fund thanks to an overweighting of resource stocks. In particular, Chinese coal producers, China Shenhua Energy and Yanzhou Coal Mining contributed to performance and are benefiting from the mainland's rising demand for electric power. The diversified Australian mining giants Rio Tinto and BHP Billiton were also big contributors. In contrast, the fund suffered in Korea because our value-seeking investment philosophy was eclipsed by demand for stocks made popular by their momentum.

Both bond Sub-Funds underperformed their benchmarks in the first half of 2007 due primarily to the portfolio's defensive positioning. The fund was biased towards higher quality assets and overweight in financials sector, both of which underperformed the index as investors' appetites swung towards higher risk paper. But the bond sub-funds added to overall fund performance from being modestly short on duration based on concerns that rates would move higher which panned out in the form of Fed maintaining rather than cutting rates.

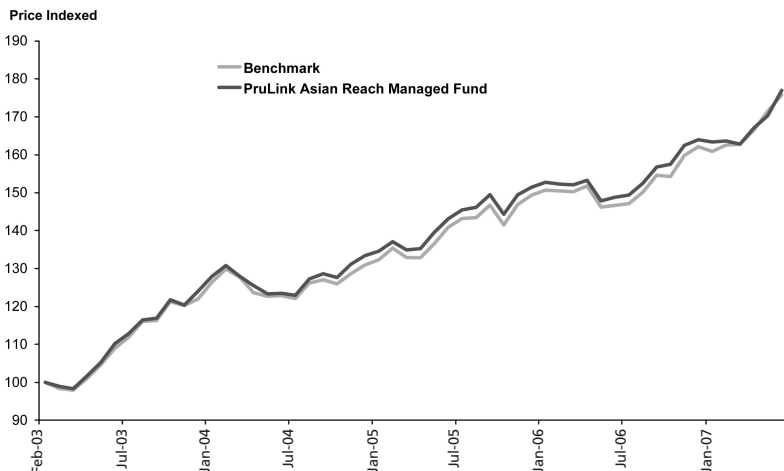
The Fund established new positions in resource stocks, Rio Tinto, BHP Billiton and Yanzhou Coal Mining. Positions were also established in Korea Exchange Bank (KEB) and China

<sup>4</sup> A composite of 50% MSCI AC Far East Fr ex Japan Index, 30% Merrill Lynch US Corporates A2 Rated and above, 20% Merrill Lynch US Corporates BBB3-A3 Rated

Construction Bank. We believe KEB is attractively valued and capable of generating a return on equity through 2009 that exceeds consensus forecasts. We think it has among the best asset quality of Korea's banks. We expect China Construction Bank's earnings momentum to remain strong as margins expand, further boosting the effects of mid-teens loan growth.

On the bond sub-funds, the fund managers aggressively rotated out of industrial investments into structured product and financials as a means of diminishing the portfolio's exposure to shareholder friendly activities and leveraged and management buyout scenarios.

We remain upbeat about Asian equities for the medium term given the region's strong macroeconomic fundamentals, modestly-gearred balance sheets and ample liquidity but we expect economic growth to slow towards trend growth in the next two years. Given that outlook for equities seems more encouraging than bonds, the fund continues to favour equity over bonds at this juncture, but sees no need to further underweight its bond asset class as our bond selections target good credit quality, attractive valuations and have short duration.



## At a Glance

### PruLink Asian Reach Managed Fund

Launch Date 13 Jan 2003

**Bid Price** (as at 30 June 2007) \$1.68075

**Offer Price** (as at 30 June 2007) \$1.76920

#### Net Investment Return (for period under review - 31 Dec 2006 to 30 Jun 2007)

Actual PruLink Asian Reach Managed Fund 7.93%

50% MSCI AC Far East Fr ex Japan Index; 30% Merrill Lynch US Corporates, 8.53%

A2 Rated and Above; 20% Merrill Lynch US Corporates BBB3-A3 Rated

#### Net Investment Return (since launch of fund)

Actual PruLink Asian Reach Managed Fund 76.92%

50% MSCI AC Far East Fr ex Japan Index; 30% Merrill Lynch US Corporates, 75.95%

A2 Rated and Above; 20% Merrill Lynch US Corporates BBB3-A3 Rated

#### Risk Classification

Narrowly Focused - Medium to High Risk

#### Fund Performance\* based on Bid Price

	Fund	Benchmark	Outperformance
YTD 2007	7.93%	8.53%	-0.60%
Year 2006	8.26%	8.56%	-0.30%
Year 2005	13.54%	14.07%	-0.53%
Year 2004	7.52%	7.29%	0.23%

\* Calculation of fund performance starts from 24 Feb 2003.

## **PruLink China-India Fund**

### **FUND OBJECTIVE**

PruLink China-India 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).

### **FUND PERFORMANCE**

#### **PruLink China-India Fund**

The PruLink China-India Fund rose 23.69% for the six month review period, outperforming its benchmark comprising 50% MSCI China Index and 50% MSCI India Index, which gained 19.21%. Since its 3 August 2004 inception, the PruLink China-India Fund has risen 137.96% while its benchmark has risen 186.06%. As at 30 June 2007, the bid and offer prices of the Fund were \$2.26061 and \$2.37958 respectively.

Both China and India were affected by global market volatility during the February/March sell-offs. Excessive growth and high valuations were main reasons cited for the pull backs. Both markets have since recovered well with India however rising on a more measured pace consequent to the impact of higher interest rates kicking in.

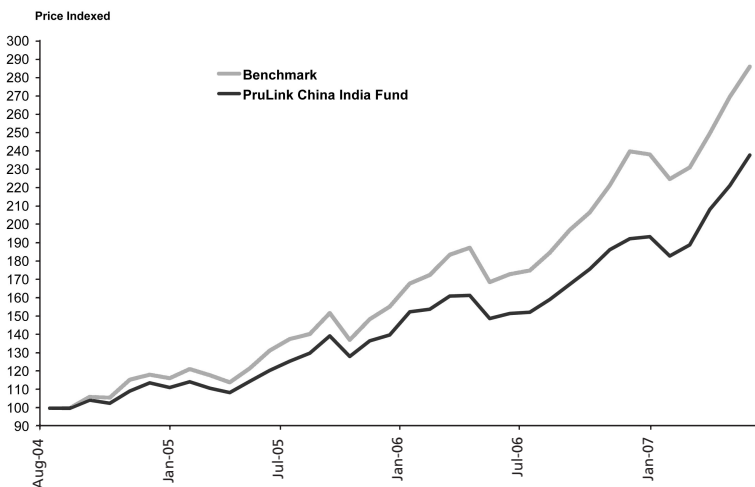
The fund's outperformance has been driven by overweights in high-conviction, small index weight ideas such as GMR Infrastructure in India and Anhui Conch Cement and China Lotsynergy in China. GMR has enjoyed steady growth over 2007 and then surged in June on news that they had had signed a memorandum of understanding to implement, operate and maintain a new coal-based thermal power plant. Anhui Conch has been a beneficiary of the sustained construction boom in China and announced a 36% increase in profits in Q1 2007, on the back of expanded capacity. The overweight in China's ICBC also helped relative performance.

The fund's overweight in Mahindra Gesco Developers detracted as it gave back its solid gains of late 2006. However, the fund manager believes that this stock is aligned with India's medium-term growth story. The overweight in Wire and Wireless India also hurt performance, as did the underweight in Reliance Capital and HDFC. At this stage, the manager believes that HDFC is too expensive given its current outlook.

Over the last six months the manager has reduced the fund's cash position in favour of Chinese holdings. The largest underweight remains banks, however it is less so now as the fund has added names such as Bank of China and China Merchants Bank. The largest overweight sector is now utilities, where the fund has added to positions in Tata Power and China Resources Power.



The manager remains positive on the medium-term outlook for Chinese and Indian equities; however the abundance of global liquidity and the probability of a slowdown in US demand may spark some short-term volatility. The drivers of economic growth remain solid in both countries where increasing incomes, greater domestic consumption and infrastructure development remain key themes. Inflation remains a concern in both India and China; however the Indian government has proven itself more willing to tackle it in recent times. India's continuing integration with global trade chains is an important growth factor, over and above the country's strong domestic consumption story.



## At a Glance

### PruLink China-India Fund

Launch Date 21 Jun 2004

**Bid Price** (as at 30 June 2007) \$2.26061

**Offer Price** (as at 30 June 2007) \$2.37958

#### Net Investment Return (for period under review - 31 Dec 2006 to 30 Jun 2007)

Actual PruLink China-India Fund 23.69%

50% MSCI China Index and 50% MSCI India Index 19.21%

#### Net Investment Return (since launch of fund)

Actual PruLink China-India Fund 137.96%

50% MSCI China Index and 50% MSCI India Index 186.06%

#### Risk Classification

Narrowly Focused - Higher Risk

#### Fund Performance\* based on Bid Price

	Fund	Benchmark	Outperformance
YTD 2007	23.69%	19.21%	4.48%
Year 2006	37.53%	54.49%	-16.96%
Year 2005	22.94%	31.33%	-8.39%

\* Calculation of fund performance starts from 3 Aug 2004.

## **PruLink Emerging Markets Fund**

### **FUND OBJECTIVE**

The investment objective of the PruLink Emerging Markets Fund is to seek long-term capital growth by investing mainly in equity securities of emerging market companies, or those companies which derive a significant proportion of their revenues or profits from emerging economies.

### **FUND PERFORMANCE**

#### **PruLink Emerging Markets Fund**

For the six-months ended 30 June 2007, the Prulink Emerging Markets Fund rose 14.39%, keeping pace with its benchmark's 17.39% gain. Since its 31st May 2005 inception, the Fund has achieved a cumulative return of 62.10%, comparing against the benchmark return of 88.15%. As at 30 June 2007, the fund's bid and offer prices were \$1.53991 and \$1.62095 respectively.

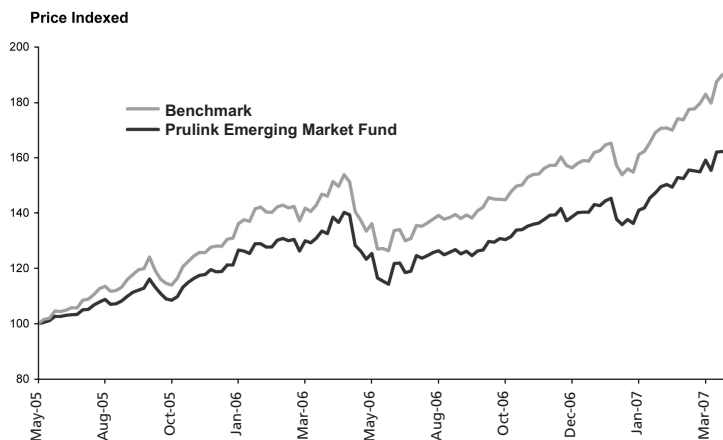
Key factors that contributed significantly to absolute performance were the Fund's exposure to the materials, energy and telecommunications services sectors. High oil and commodity prices and growing demand for oil, coal and metals in China as well as other emerging markets benefited these companies. Geographically, investments in Turkey, Brazil and China made a noteworthy contribution to performance. These markets continued to benefit from greater investor confidence and attractive fundamentals.

Sectors which had a negative impact on performance were retailing and software & services. By country, the Fund's exposure Israel detracted from performance. Over the longer term, however, we believe that the stocks held are well positioned in their respective markets to benefit from the growing demand for their products and services.

During the quarter, the Fund increased its investments in the BRIC - Brazil, Russia, India and China (via the "H" and "red-chip" shares) markets, Mexico, South Africa and Argentina.

By sector, holdings in the IT consulting, diversified metals & mining, package foods & meats, apparel retail and steel industries were increased. High commodity prices and growing global demand could benefit companies in the sector. The continued trend of outsourcing of services to Indian consulting companies could also lead to higher corporate earnings. Moreover, the growing consumer sector in emerging markets remains a major investment theme. Conversely, sales were undertaken in the life & health insurance, semiconductors and computer hardware sectors. Geographically, exposure to South Korea and Taiwan was reduced during the period as stocks triggered sale targets.

The outlook for BRIC markets remains positive. The underperformance of the Russian market has made it even more attractive. China and India, both, continue to record robust economic growth while the Brazilian should benefit from the government's US\$236 billion package to boost economic growth. Latin American markets, Mexico and Argentina, should continue to benefit from greater fund flows and regional developments. Rising middle-class incomes and greater domestic demand should continue to benefit consumer-related sectors in South Africa.



## At a Glance

### PruLink Emerging Markets Fund

Launch Date 19 Apr 2005

**Bid Price** (as at 30 June 2007) \$1.53991

**Offer Price** (as at 30 June 2007) \$1.62095

#### Net Investment Return (for period under review - 31 Dec 2006 to 30 Jun 2007)

Actual PruLink Emerging Markets Fund 14.39%

MSCI EM (Emerging Markets) Index 17.39%

#### Net Investment Return (since launch of fund)

Actual PruLink Emerging Markets Fund 62.10%

MSCI EM (Emerging Markets) Index 88.15%

#### Risk Classification

Narrowly Focused; Higher Risk

#### Fund Performance\* based on Bid Price

	Fund	Benchmark	Outperformance
YTD 2007	14.39%	17.39%	-3.00%
Year 2006	16.83%	22.34%	-5.51%
Year 2005	21.28%	30.87%	-9.59%

\* Calculation of fund performance starts from 31 May 2005.

## **PruLink America Fund**

### **FUND OBJECTIVE**

The investment objective of the PruLink America 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. The fund is broadly diversified by company size and industry sector.

### **FUND PERFORMANCE**

#### **PruLink America Fund**

For the first six-months ended 30 June 2007, the PruLink America Fund returned 8.02%, and the benchmark S&P 500 returned 6.62% over the same period. Since its May 2005 inception, the Fund returned 14.65%, compared to its benchmark, which returned 20.68%. As at 30 June 2007, the fund's bid and offer prices were \$1.08914 and \$1.14646 respectively.

US equities rose over the period and reached new highs at the beginning of June, supported by robust merger & acquisition (M&A) activity, healthy corporate earnings and an assessment by the Federal Reserve (Fed) that the risks to economic growth had diminished.

The downturn in the housing market continues to concern investors and economists as sales of existing homes slipped to their lowest level in four years and the inventory of unsold homes grew significantly. This has caused several retailers to become somewhat cautious, but we are yet to see significant effects on either general consumption or labour market data.

M&A activity helped boost the portfolio's performance. MedImmune was a strong contributor, as AstraZeneca acquired this biotechnology company at a premium, while payment services firm First Data Corporation was bought out by a private equity fund.

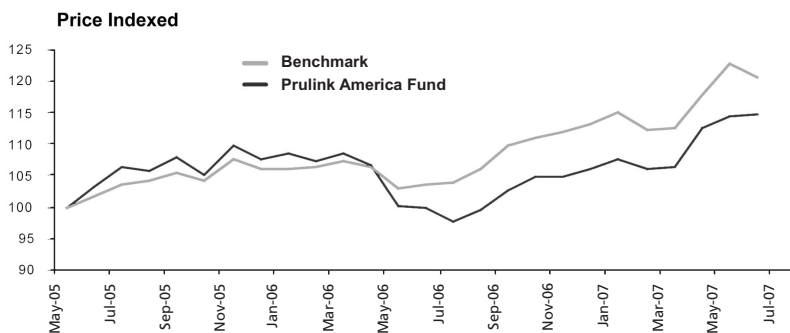
Valero, the oil refiner, performed very well following a disappointing end to last year when margins expanded and oil prices rose. Sales of high-yield corn seeds soared at Monsanto, as the planting of corn surged in the US to cater for increased ethanol production. I am confident about Monsanto's prospects due to its superior long term intellectual property and product pipeline.

Apple shares have done very well, particularly in the period through May, as investors were anticipating a successful launch of its new i-Phone product, which went very well, with more than 500,000 sold over the first weekend. Subsequently we have reduced the position.

The overweight position in Media was reduced by selling out of McGraw Hill, Clear Channel and Citadel Broadcasting. This was done in order to take some profits and to deploy the proceeds into more compelling investment opportunities.

There are continued concerns about the extent to which mortgage problems will have a wider impact throughout the economy as a whole. The fund remains underweight in the financials sector as credit conditions tighten. However, there are some opportunities in specific companies that are less sensitive to rates and more geared to growth areas. For example, Legg Mason is well positioned as the fund management industry consolidates, as is National Financial Partners in the financial services distribution arena.

Within the utilities sector, positioning has been adjusted into de-regulated companies, which should benefit more than regulated utilities from the growing supply/demand imbalance for power in several markets.



## At a Glance

### PruLink America Fund

Launch Date 19 Apr 2005

**Bid Price** (as at 30 June 2007) \$1.08914

**Offer Price** (as at 30 June 2007) \$1.14646

#### Net Investment Return (for period under review - 31 Dec 2006 to 30 Jun 2007)

Actual PruLink America Fund 8.02%

Standard & Poor's 500 Index 6.62%

#### Net Investment Return (since launch of fund)

Actual PruLink America Fund 14.65%

Standard & Poor's 500 Index 20.68%

#### Risk Classification

Narrowly Focused; Higher Risk

#### Fund Performance\* based on Bid Price

	Fund	Benchmark	Outperformance
YTD 2007	8.02%	6.62%	1.40%
Year 2006	-1.41%	6.85%	-8.26%
Year 2005	7.65%	5.93%	1.72%

\* Calculation of fund performance starts from 31 May 2005.

## **PruLink International Bond Fund**

### **FUND OBJECTIVE**

The investment objective of PruLink International Bond Fund is to invest in international markets to maximise performance measured in US dollars. Currently, the fund aims to provide an income together with the possibility of capital growth from an international portfolio of high-quality fixed interest securities including government bonds, Eurobonds, corporate bonds and those issued by supranational bodies.

### **FUND PERFORMANCE**

#### **PruLink International Bond Fund**

For the first six-months ended 30 June 2007, the PruLink International Bond Fund returned -0.20%, and the benchmark Lehman Brothers Global Aggregate G5 ex-MBS Index returned -0.18% over the same period. Since its May 2005 inception, the Fund returned -6.92%, compared to its benchmark, which returned -4.92%. As at 30 June 2007, the fund's bid and offer prices were \$0.88423 and \$0.93076 respectively.

Global bonds markets, with the exception of US, generated negative returns over the last six months. Mid-May onwards, bond markets globally witnessed a sell-off on account of robust global growth and stronger-than-expected economic data in the US. Consequently, yields on long-dated bonds across regions rose to multi-year highs. Towards the end of the review period, losses in two US-based hedge funds due to their exposure to the risky sub-prime mortgage sector led some investors to move to safer havens. Although the negative effect was mainly confined to US rather than non-US credit. Meanwhile, growing inflationary pressures raised expectations of interest rate increases. The central banks of major economies, with the exception of the US, increased their key interest rates. In the US, bonds ended the period with positive returns although they gave up some of the gains in June. Robust US economic data releases changed the market's expectations regarding the direction of the Federal Reserve's (Fed's) interest rate policy from "cut" to "hold".

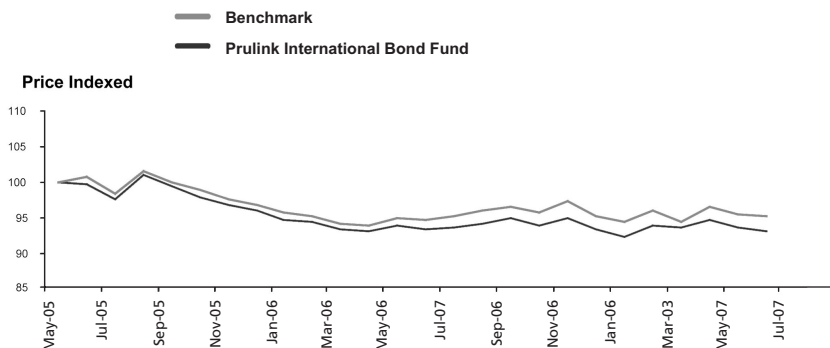
During the review period, the fund performed in line with its benchmark on a net-of-fees basis. The fund's short duration position in Europe added to relative performance as bond yields rose over the period amid expectations of further interest rate rises. Additionally, a short duration position in the US boosted returns as yields rose in light of stronger-than-expected economic data. Inflation-linked bonds in the portfolio outperformed against the backdrop of rising oil prices and inflationary concerns. Despite credit spreads widening towards the end of the period, the fund's overweight positions in emerging debt and high yield bonds were a positive influence. The holdings in high-quality asset-backed securities enhanced



relative performance. These offer premium yields over government bonds and provide diversification benefits. Conversely, exposure to Japanese floating rate notes (bonds with a fluctuating interest rate) held back performance as the yield curve flattened over the latter part of the review period. However, the portfolio manager has retained the holding as he believes that the yield curve will steepen to reflect increased long-term inflationary expectations.

With the sharp rise in global bond yields, the portfolio manager has reduced the size of the underweight duration position of the fund in US dollar bonds, through the purchase of high quality mortgage-backed securities. The fund remains underweight interest rate risk in US dollars and euros and is modestly overweight high quality mortgage-backed bonds. It remains overweight non-government bonds mainly through exposure to emerging debt such as Russia, Kazakhstan, Brazil and Indonesia. Holdings in the US inflation-linked bonds are a hedge against rising inflation.

Global bond markets are expected to generate modest to weak returns over the next 12 months in the wake of mixed continued inflationary pressures. The central banks of UK, Europe and Japan are expected to raise interest rates at least once by the end of the year, but the Fed is widely expected to keep rates on hold. The fundamental outlook for credit is stable with the principal supporting pillars of healthy economic growth and investor demand still strong. Corporate bonds remain attractive and provide better yields compared to government bonds. Defaults may begin to rise, although this is from a historically low base. The main cloud on the credit horizon is growing event risk due to an increase in leveraged buy-outs. The outlook for high yield market is mixed despite a relatively benign corporate environment.



## At a Glance

### PruLink International Bond Fund

Launch Date 19 Apr 2005

**Bid Price** (as at 30 June 2007) \$0.88423

**Offer Price** (as at 30 June 2007) \$0.93076

#### Net Investment Return (for period under review - 31 Dec 2006 to 30 Jun 2007)

Actual PruLink International Bond Fund -0.20%

LB Glb Agg G5 ex-MBS Index -0.18%

#### Net Investment Return (since launch of fund)

Actual PruLink International Bond Fund -6.92%

LB Glb Agg G5 ex-MBS Index -4.92%

#### Risk Classification

Broadly Diversified; Low to Medium Risk

#### Fund Performance\* based on Bid Price

	Fund	Benchmark	Outperformance
YTD 2007	-0.20%	-0.18%	-0.02%
Year 2006	-2.88%	-1.70%	-1.18%
Year 2005	-3.97%	-3.10%	-0.87%

\* Calculation of fund performance starts from 31 May 2005.

# PruLink Adapt 2015 Fund

## FUND OBJECTIVE

The investment objective of the PruLink Adapt 2015 Fund is to maximise the Fund's total value at the end of the investment horizon, subject to limiting the downside risks. Beyond the investment horizon, it aims to balance the goals of capital stability and providing income. The investment horizon would centre around 2015.

## FUND PERFORMANCE

### PruLink Adapt 2015 Fund

The PruLink Adapt 2015 Fund gained 6.74% in the review period, exceeding its benchmark's<sup>5</sup> 6.73% rise. Since its May 2005 inception, the Fund returned a cumulative 22.52%, which trailed its benchmark's 24.75% gain by 2.23%. The Fund's bid and offer prices as at 30 June 2007 were \$1.16398 and \$1.22524 respectively.

The Fund's gains for the review period year were driven mainly by the strong global and domestic equity markets' performances. After finishing on a high note in 2006, equity markets began steadily in 2007 before falling victim to the jitters in late February sell-off that was brought on by the selling in China's expensive domestic market and renewed fears that a US slowdown could turn into recession. They nevertheless ended the June quarter on an upbeat mood. In contrast, global bonds finished the review period marginally lower following a volatile first half, especially in early June when resurgence of inflation and interest rate hike fears triggered a global bond sell-off and pushed US 10-year Treasuries yield to a 5 year high.

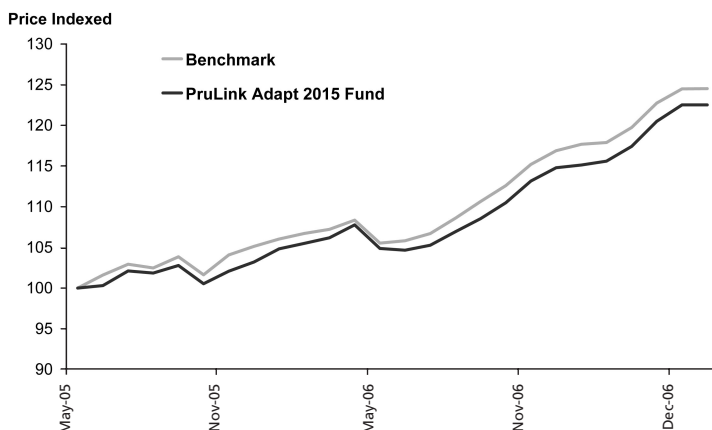
Against this backdrop, the Fund's strategy to overweight equities relative to bonds during the review period was constructive. In particular, overweighting equity markets of Europe and Asia contributed significantly to relative returns. On a negative note, the Fund's cash holdings moderated some of this outperformance. Securities selection also added value in general, driven mainly by the strong performance of the domestic and US equity sub-funds. Domestic bond, European equity and Asian equity selection contributed negatively to performance, however. Although the global bond sub-fund also underperformed its benchmark, the negative securities selection was more than offset by our decision to fully hedge the foreign currency exposure, which added value.

Over the review period, we have trimmed the underweight position in bonds (particularly global bonds) as developed markets' bond valuation are looking fairer following the June sell-offs. Within equities, we have moved from an overweight to neutral in domestic equities given its valuation is no longer attractive following the strong year to date performance. Within global equities, we have moved to an underweight in the US, as this market is not

<sup>5</sup> Composite benchmark comprising the MSCI Singapore Free Index, MSCI Japan Index, FTSE World Europe ex UK Index, S&P 500 Index, MSCI AC Far East ex-Japan Index, UOB Singapore Government Bond Index (All), Return on Long dated Portfolio and Lehman Brothers' Global Aggregate Index (hedged to S\$)

cheap relative to peers and is most susceptible to a cyclical slowdown. In contrast, Europe remains our top overweight market in view of its attractive valuation, still strong corporate earnings and lower vulnerability to cyclical downturns. We have also moved to neutral in Japan and the UK given their relatively unattractive valuation.

Whilst we continue to prefer equities over bonds, based on their still-attractive medium-term valuation, we are mindful that several market indices have reached historic high levels, and attractive valuations continue to be eroded. Equity markets are increasingly vulnerable to inflation and interest rate shocks, as well as risk of waning investor risk appetite. Where appropriate, the fund will look to trim its overweight equity positions.



## At a Glance

### PruLink Adapt 2015 Fund

Launch Date 19 Apr 2005

**Bid Price** (as at 30 June 2007) \$1.16398

**Offer Price** (as at 30 June 2007) \$1.22524

#### Net Investment Return (for period under review - 31 Dec 2006 to 30 Jun 2007)

Actual PruLink Adapt 2015 Fund 6.74%

Composite benchmark comprising the MSCI Singapore Free Index, MSCI Japan Index, FTSE World Europe ex UK Index, S&P 500 Index, MSCI AC Far East ex Jpn Index, UOB Singapore Government Bond Index (All), Return on Long dated Portfolio and Lehman Brothers' Global Aggregate Index (hedged to S\$) 6.73%

#### Net Investment Return (since launch of fund)

Actual PruLink Adapt 2015 Fund 22.52%

Composite benchmark comprising the MSCI Singapore Free Index, MSCI Japan Index, FTSE World Europe ex UK Index, S&P 500 Index, MSCI AC Far East ex Jpn Index, UOB Singapore Government Bond Index (All), Return on Long dated Portfolio and Lehman Brothers' Global Aggregate Index (hedged to S\$) 24.75%

#### Risk Classification

Broadly Diversified; Medium to High Risk

#### Fund Performance\* based on Bid Price

	Fund	Benchmark	Outperformance
YTD 2007	6.74%	6.73%	0.01%
Year 2006	11.22%	11.18%	0.04%
Year 2005	3.21%	4.89%	-1.68%

\* Calculation of fund performance starts from 31 May 2005.

## **PruLink Adapt 2025 Fund**

### **FUND OBJECTIVE**

The investment objective of the PruLink Adapt 2025 Fund is to maximise the Fund's total value at the end of the investment horizon, subject to limiting the downside risks. Beyond the investment horizon, it aims to balance the goals of capital stability and providing income. The investment horizon would centre around 2025.

### **FUND PERFORMANCE**

#### **PruLink Adapt 2025 Fund**

The PruLink Adapt 2025 Fund rose 8.13% in the review period, trailing behind its benchmark's<sup>6</sup> 8.26% gain. Since its May 2005 inception, the Fund returned a cumulative 28.63%, which lagged its benchmark's 31.97% gain by 3.34%. As at 30 June 2007, the Fund's bid and offer prices were \$1.2220 and \$1.28631 respectively.

The Fund's gains for the review period year were driven mainly by the strong global and domestic equity markets' performances. After finishing on a high note in 2006, equity markets began steadily in 2007 before falling victim to the jitters in late February sell-off that was brought on by the selling in China's expensive domestic market and renewed fears that a US slowdown could turn into recession. They nevertheless ended the June quarter on an upbeat mood. In contrast, global bonds finished the review period marginally lower following a volatile first half, especially in early June when resurgence of inflation and interest rate hike fears triggered a global bond sell-off and pushed US 10-year Treasuries yield to a 5 year high.

Against this backdrop, the Fund's strategy to overweight equities relative to bonds during the review period was constructive. In particular, overweighting equity markets of Europe and Asia contributed significantly to relative returns. On a negative note, the Fund's cash holdings moderated some of this outperformance. Securities selection also added value in general, driven mainly by the strong performance of the domestic and US equity sub-funds. Domestic bond, European equity and Asian equity selection contributed negatively to performance, however. Although the global bond sub-fund also underperformed its benchmark, the negative securities selection was more than offset by our decision to fully hedge the foreign currency exposure, which added value.

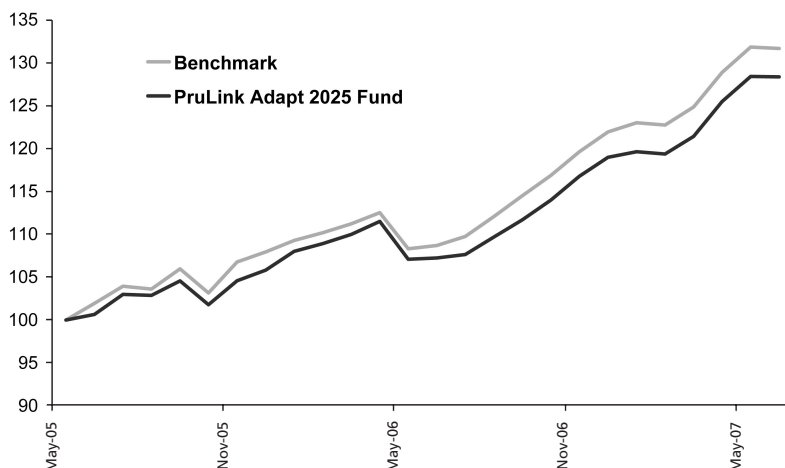
Over the review period, we have trimmed the underweight position in bonds (particularly global bonds) as developed markets bond valuation are looking fairer following the June sell-offs. We remain underweight domestic bonds given their unattractive valuation. Within equities, we have moved from an overweight to neutral in domestic equities given its valuation is no longer attractive following the strong year to date performance. Within global equities, we have moved to an underweight in the US, as this market is not cheap relative to peers and

<sup>6</sup> Composite benchmark comprising the MSCI Singapore Free Index, MSCI Japan Index, FTSE World Europe ex UK Index, S&P 500 Index, MSCI AC Far East ex-Japan Index, UOB Singapore Government Bond Index (All), Return on Long dated Portfolio and Lehman Brothers' Global Aggregate Index (hedged to S\$)

is most susceptible to a cyclical slowdown. In contrast, Europe remains our top overweight market in view of its attractive valuation, still strong corporate earnings and lower vulnerability to cyclical downturns. We have also moved to neutral in Japan and the UK given their relatively unattractive valuation.

Looking ahead, the fund remains overweight equities relative to bonds. Whilst we continue to prefer equities over bonds, based on their still-attractive medium-term valuation, we are mindful that several market indices have reached historic high levels, and attractive valuations continue to be eroded. Equity markets are increasingly vulnerable to inflation and interest rate shocks, as well as risk of waning investor risk appetite. Where appropriate, the fund will look to trim its overweight equity positions.

### Price Indexed



## At a Glance

### PruLink Adapt 2025 Fund

Launch Date

19 Apr 2005

**Bid Price** (as at 30 June 2007)

\$1.22200

**Offer Price** (as at 30 June 2007)

\$1.28631

#### Net Investment Return (for period under review - 31 Dec 2006 to 30 Jun 2007)

Actual PruLink Adapt 2025 Fund

8.13%

Composite benchmark comprising the MSCI Singapore Free Index, MSCI Japan Index, FTSE World Europe ex UK Index, S&P 500 Index, MSCI AC Far East ex Jpn Index, UOB Singapore Government Bond Index (All), Return on Long dated Portfolio and Lehman Brothers' Global Aggregate Index (hedged to S\$)

8.26%

#### Net Investment Return (since launch of fund)

Actual PruLink Adapt 2025 Fund

28.63%

Composite benchmark comprising the MSCI Singapore Free Index, MSCI Japan Index, FTSE World Europe ex UK Index, S&P 500 Index, MSCI AC Far East ex Jpn Index, UOB Singapore Government Bond Index (All), Return on Long dated Portfolio and Lehman Brothers' Global Aggregate Index (hedged to S\$)

31.97%

#### Risk Classification

Broadly Diversified; Medium to High Risk

#### Fund Performance\* based on Bid Price

	Fund	Benchmark	Outperformance
YTD 2007	8.13%	8.26%	-0.13%
Year 2006	12.43%	12.95%	-0.52%
Year 2005	5.81%	7.67%	-1.86%

\* Calculation of fund performance starts from 31 May 2005.



## **PruLink Adapt 2035 Fund**

### **FUND OBJECTIVE**

The investment objective of the PruLink Adapt 2035 Fund is to maximise the Fund's total value at the end of the investment horizon, subject to limiting the downside risks. Beyond the investment horizon, it aims to balance the goals of capital stability and providing income. The investment horizon would centre around 2035.

### **FUND PERFORMANCE**

#### **PruLink Adapt 2035 Fund**

The PruLink Adapt 2035 rose 8.92% during the review period, lower than its composite benchmark's<sup>7</sup> gain of 8.95%. Since its May 2005 inception, the Fund returned a cumulative 31.88%, which trailed its benchmark's 35.58% gain by 3.7%. As at 30 June 2007, the Fund's bid and offer prices were \$1.25285 and \$1.31878 respectively.

The Fund's gains for the review period year were driven mainly by the strong global and domestic equity markets' performances. After finishing on a high note in 2006, equity markets began steadily in 2007 before falling victim to the jitters in late February sell-off that was brought on by the selling in China's expensive domestic market and renewed fears that a US slowdown could turn into recession. They nevertheless ended the June quarter on an upbeat mood. In contrast, global bonds finished the review period marginally lower following a volatile first half, especially in early June when resurgence of inflation and interest rate hike fears triggered a global bond sell-off and pushed US 10-year Treasuries yield to a 5 year high.

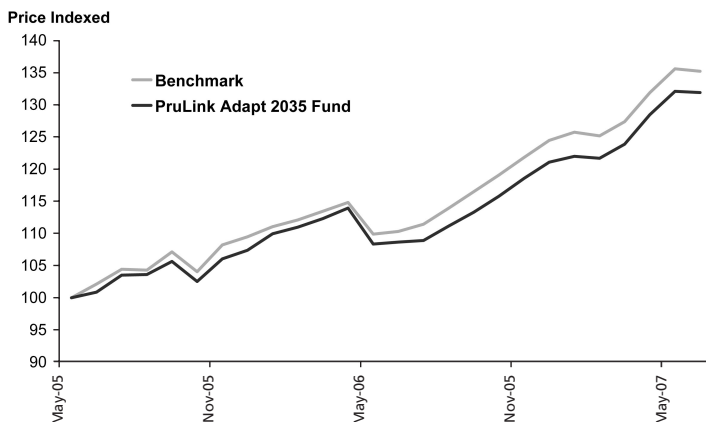
Against this backdrop, the Fund's strategy to overweight equities relative to bonds during the review period was constructive. In particular, overweighting equity markets of Europe and Asia contributed significantly to relative returns. On a negative note, the Fund's cash holdings moderated some of this outperformance. Securities selection also added value in general, driven mainly by the strong performance of the domestic and US equity sub-funds. European and Asian equity selection contributed negatively to performance, however. Although the global bond sub-fund also underperformed its benchmark, the negative securities selection was more than offset by our decision to fully hedge the foreign currency exposure, which added value.

Over the review period, we have trimmed the underweight position in bonds (particularly global bonds) as developed markets bond valuation are looking fairer following the June sell-offs. We remain underweight domestic bonds given their unattractive valuation. Within equities, we have moved from an overweight to neutral in domestic equities given its valuation is no longer attractive following the strong year to date performance. Within global equities, we have moved to an underweight in the US, as this market is not cheap relative to peers and

<sup>7</sup> Composite benchmark comprising the MSCI Singapore Free Index, MSCI Japan Index, FTSE World Europe ex UK Index, S&P 500 Index, MSCI AC Far East ex-Japan Index,, UOB Singapore Government Bond Index (All), Return on Long dated Portfolio and Lehman Brothers' Global Aggregate Index (hedged to S\$)

is most susceptible to a cyclical slowdown. In contrast, Europe remains our top overweight market in view of its attractive valuation, still strong corporate earnings and lower vulnerability to cyclical downturns. We have also moved to neutral in Japan and the UK given their relatively unattractive valuation.

Looking ahead, the fund remains overweight equities relative to bonds. Whilst we continue to prefer equities over bonds, based on their still-attractive medium-term valuation, we are mindful that several market indices have reached historic high levels, and attractive valuations continue to be eroded. Equity markets are increasingly vulnerable to inflation and interest rate shocks, as well as risk of waning investor risk appetite. Where appropriate, the fund will look to trim its overweight equity positions.



## At a Glance

### PruLink Adapt 2035 Fund

Launch Date	19 Apr 2005
Bid Price (as at 30 June 2007)	\$1.25285
Offer Price (as at 30 June 2007)	\$1.31878

#### Net Investment Return (for period under review - 31 Dec 2006 to 30 Jun 2007)

Actual PruLink Adapt 2035 Fund	8.92%
Composite benchmark comprising the MSCI Singapore Free Index, MSCI Japan Index, FTSE World Europe ex UK Index, S&P 500 Index, MSCI AC Far East ex Jpn Index, UOB Singapore Government Bond Index (All), Return on Long dated Portfolio and Lehman Brothers' Global Aggregate Index (hedged to S\$)	8.95%

#### Net Investment Return (since launch of fund)

Actual PruLink Adapt 2035 Fund	31.88%
Composite benchmark comprising the MSCI Singapore Free Index, MSCI Japan Index, FTSE World Europe ex UK Index, S&P 500 Index, MSCI AC Far East ex Jpn Index, UOB Singapore Government Bond Index (All), Return on Long dated Portfolio and Lehman Brothers' Global Aggregate Index (hedged to S\$)	35.58%

#### Risk Classification

Broadly Diversified - Higher Risk

#### Fund Performance\* based on Bid Price

	Fund	Benchmark	Outperformance
YTD 2007	8.92%	8.95%	-0.03%
Year 2006	12.75%	13.68%	-0.93%
Year 2005	7.38%	9.34%	-1.96%

\* Calculation of fund performance starts from 31 May 2005.

## **PruLink Global Basics Fund**

### **FUND OBJECTIVE**

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

### **FUND PERFORMANCE**

#### **PruLink Global Basics Fund**

The PruLink Global Basics Fund gained 18.04% in the review period, outperforming FTSE Global Basics Composite benchmark's gain of 14.42%. Since its May 2006 inception, the PruLink Global Basics Fund has achieved a cumulative return of 27.73%, which compares favourably against the benchmark's 26.46% gain, representing an outperformance of 1.27%). As at 30 June 2007, the fund's bid and offer prices were \$1.21339 and \$1.27725 respectively.

The fund's bias towards commodity related companies greatly added to its outperformance during the first half of the year. Despite the setbacks to global equities markets early in the year, the fund emerged unscathed, aided by growing demand for commodities from emerging "growth" markets such as China and India.

Exposure to commodity stocks like French nickel producer, Eramet, UK diversified mining group Rio Tinto, and South African platinum producer Lonmin, was well rewarded. Shares in Eramet were supported by rising nickel prices and speculation of consolidation. As one of the few remaining independent pure nickel plays, Eramet remains a potential takeover candidate. Rumours of Rio Tinto's takeover bid by Australian rival BHP Billiton influenced its share price positively; and the sharp rise in platinum prices caused by robust demand boosted shares in Lonmin.

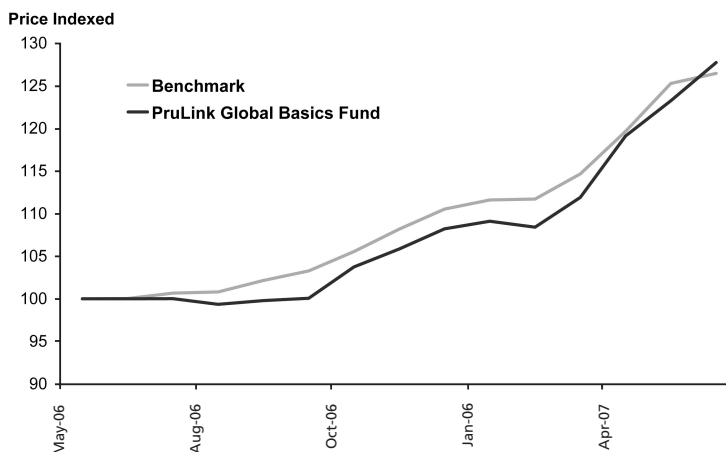
German potash producer K&S and Canadian fertiliser manufacturer Agrium were major contributors to performance. We believe demand for fertilisers and related products will continue to grow strongly as the world struggles to feed its growing population in light of declining arable land. Increasing demand due to the urbanisation of countries such as China and India, as well as from areas of bio-fuel production, also support this theme. On the contrary, a position in EADS detracted performance. Delays to the production schedule of the Airbus A380 super jumbo and a weaker-than-expected margins outlook impacted its shares negatively. We believe investors have overlooked the value of EADS' investment in the Airbus A380.

Having been reducing its commodity exposure, the Fund remains vigilant for new ideas and efficient and attractively valued companies, such as Sherritt International. A position was initiated in the Canadian mining company, whose coal reserves in Canada are under-exploited, and nickel production in Cuba is benefiting from strong demand for the metal.

A holding was also established in Constellation Brands, continuing the Fund's focus on well-managed businesses benefiting from growing consumerism in countries like China. The US drinks company boasts a strong portfolio of wines and a history of healthy returns. It is also exposed to higher global consumer spending.

During the review period, the holding in Agrium was significantly reduced on valuation grounds. The Fund retains a healthy exposure to the fertiliser industry through its holding in K&S. A long-held position in Danone was closed. The stock's valuation had implied excessively optimistic future expectations. We took this opportunity to take profits and build up a holding in Kerry Group, an Irish food and ingredients firm which is more attractively valued.

The Fund invests in the "building blocks" of the global economy - the sort of companies that are responsible for generating the vast majority of world economic activity. With global economic growth set to remain positive over the long term, we believe that owning these companies over the long term is the right way to benefit from this scenario. We remain confident that the Fund's diversified nature and its bottom-up focus on undervalued, asset-rich companies provides the balance necessary to outperform in a broad range of market environments.



## At a Glance

### PruLink Global Basics Fund

Launch Date 18 Apr 2006

**Bid Price** (as at 30 June 2007) \$1.21339

**Offer Price** (as at 30 June 2007) \$1.27725

#### Net Investment Return (for period under review - 31 Dec 2006 to 30 Jun 2007)

Actual PruLink Global Basics Fund 18.04%

FTSE Global Basics Composite 14.42%

#### Net Investment Return (since launch of fund)

Actual PruLink Global Basics Fund 27.73%

FTSE Global Basics Composite 26.46%

#### Risk Classification

Narrowly Focused; Higher Risk

#### Fund Performance\* based on Bid Price

	Fund	Benchmark	Outperformance
YTD 2007	18.04%	14.42%	3.62%
Year 2006	8.21%	10.53%	-2.32%

\* Calculation of fund performance starts from 25 May 2006.

## **PruLink Currency Income Fund**

### **FUND OBJECTIVE**

The investment objective of the PruLink Currency Income 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, and entering into derivative transactions linking to indices which employ pre-defined multi-currency interest arbitrage strategies.

### **FUND PERFORMANCE**

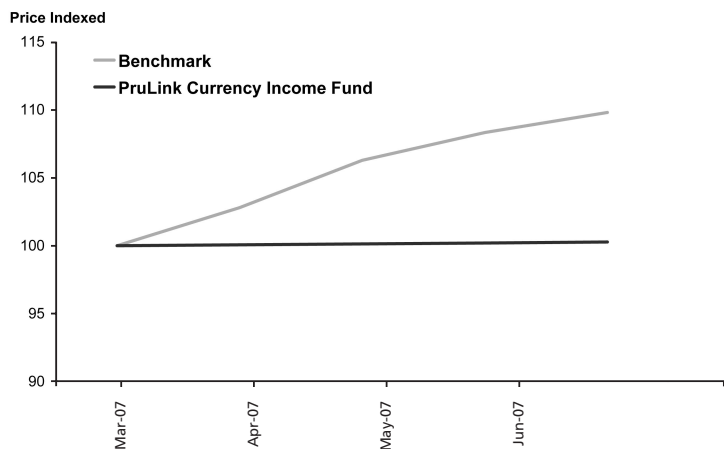
#### **PruLink Currency Income Fund**

Since its March 2007 inception, the PruLink Currency Income Fund has achieved a cumulative return of 9.80%, outperforming its 12 Month S\$ Fixed Deposit Rate p.a benchmark's gain of 0.27% by 9.53%. As at 30 June 2007, the fund's bid and offer prices were \$1.09849 and \$1.15630 respectively.

The G10 carry play posted strong return year to date despite volatility caused carry play unwinding in February 2007. Overall, carry trades were aided by declining volatility in foreign exchange markets and low levels of required risk premium across most asset classes as risk aversion declined.

Carry gains earned were largely contributed by long positions in Euro, Korean Won and Indonesian Rupiah that were funded by short positions in Swiss Franc, Japanese Yen and New Taiwan Dollar.

The fund added new index for Asian currency carry plays via the JPMorgan Income Asia Index. We will be allocating a portion of existing G10 exposure to Asia carry positions in view of the relative attractiveness of these currencies based on risk adjusted returns.



## At a Glance

### PruLink Currency Income Fund

Launch Date 23 Jan 2007

**Bid Price** (as at 30 June 2007) \$1.09849

**Offer Price** (as at 30 June 2007) \$1.15630

#### Net Investment Return (since launch of fund)

Actual PruLink Currency Income Fund 9.80%

12 Month S\$ Fixed Deposit Rate p.a. 0.27%

#### Risk Classification

Medium to High Risk

#### Fund Performance\* based on Bid Price

	Fund	Benchmark	Outperformance
YTD 2007	9.80%	0.27%	9.53%

\* Calculation of fund performance starts from 6 Mar 2007.



## MARKET REVIEW & OUTLOOK

### Singapore Equities

The rallies that commenced in the second half of 2006 continued to fuel more run ups in the Singapore stock market since the start of the year. The market however did see some slippage on the back of high valuation concerns, especially in China and India. Nonetheless, the overall upward momentum has resumed. For the period under review, the MSCI Singapore Free Index has to date gained 20.3% (in local currency terms).

Singapore's economy expanded by 7.9% for full year 2006, stronger than initial estimate of 7.7%, prompting an upward revision of official GDP estimates for 2007 from 4-6% to 4.5-6.5%. To date, inflation has remained benign on the back of appreciation of the Singapore dollar, but is expected to accelerate further in the second half of 2007 in view of tight labour market, higher electricity tariffs, rising rentals and increase in the goods and services tax from 5% to 7% effective July. Growth is expected to be sustained by strong domestic demand despite some weakness in exports. The construction and service sectors are driving growth and as a result job creation has been solid. Meanwhile, business sentiment remains positive for the remaining half year.

With the economy in good shape, investor confidence in the market remains intact. The Straits Times index has appreciated 19% year-to-date. The gains were mostly led by the property sector which has been outperforming due to increasing rental returns and higher selling prices. Weak electronics exports continue to weigh negatively on technology related stocks such as Creative Technology and Chartered Semiconductor. Finance related stocks; especially banks such as DBS Bank and United Overseas Bank have recently started outperforming the index on the back of acceleration in loans growth.

The strong gains in the market has led to Prudential turning more cautious on Singapore equities as overall market valuations are no longer attractive relative to other regional markets in Asia. However, in view of the buoyant economy, some positive earnings revisions are expected, especially for stocks with exposure to domestic demand such as banks. Property stocks with exposure to mass residential and hotel segments such as UOL and Hotel Properties are also expected to derive considerable gains. Prudential remains overweight on bank stocks such as DBS and United Overseas Bank as they remain inexpensive relative to market as well as technology stock, Venture, in view of its cheap valuations despite anticipated earnings recovery in the second half. In general, Prudential is of the view that the domestic equities market will continue to benefit from the earnings yield being more attractive to domestic interest rates.

## Regional Equities Markets

Returns in Singapore dollars for the period under review:

	Stock Market (In SGD)	Currencies (Agst SGD)
MSCI AC Far East Ex-Japan	+15.6%	
MSCI China Free	+20.1%	CNY +2.5%
MSCI Hong Kong	+4.7%	HKD -0.6%
MSCI India	+16.0%	INR +8.5%
MSCI Indonesia Free	+12.1%	IDR -0.1%
MSCI Korea	+19.6%	KRW +0.3%
MSCI Malaysia Free	+27.0%	MYR +2.0%
MSCI Philippines Free	+30.2%	PHP +6.1%
MSCI Singapore	+20.3%	-
MSCI Taiwan	+9.7%	TWD -1.0%
MSCI Thailand Free	+19.2%	THB +11.5%

Source: Datastream and Bloomberg

Following a period of consolidation and slippages early in the year, most Asian stock markets resumed their upward ascent. Valuation concerns, an area we highlighted since last year, caused the swift pullbacks in the markets in late February to early March. Nonetheless the declines were short-lived and most markets have since moved on to chalk impressive gains. The region's economic powerhouses, China and to a lesser extent, India have been leading the way.

Authorities in China and India have been implementing a raft of measures to rein in the growth pace. Despite these measures, China continues to report solid growth while the Indian economy is showing signs of easing as effects of series of interest rate hikes kick in. Elsewhere in the region, growth has been robust in Hong Kong, Philippines and Indonesia on the back of resilient domestic consumption and rising investment spending. Malaysia has been reporting moderate growth due to a weak export performance. But clearly, the region's economic laggards to date have been Thailand, Taiwan and South Korea; all of which suffer from weak domestic consumption. Thailand's economy has been limping along due to uncertainty associated with on-going political unrest. Across the region, inflation is starting to creep in but is not too much of a concern as yet, while sustained current account surpluses are forcing the Asian currencies to appreciate against the US dollar.

After a sharp jump in 2006, especially in the last quarter, stocks in China underwent a healthy correction at the start of the year. A come-back was staged in March due to improving valuations. Thereafter the MSCI China index has risen to finish the first half with a 21% gain.

India on the other hand began the year strongly before giving up gains due to valuation concerns in February. Strong corporate earnings results in India led to subsequent market recovery but concern on the impact of series of interest rate hikes have dented sentiment somewhat. Despite the cheap valuations, interest was subdued in the Korean market due to concern on corporate earnings outlook while the Hong Kong market has been overshadowed by the on-going soaring activity in China. Thailand too has been lagging but a point worth noting is during the February sell-down, the Thai market was relatively resilient given it has the highest dividend yield and lowest price to earnings vis-à-vis the region. Occasional blips aside, markets in Indonesia and Philippines have been on the rise on the back of improving economic fundamentals.

Prudential is of view that the medium term economic outlook for Asia remains strong. The region has de-leveraged and domestic consumption as well as investment cycle in several markets has grown strong enough to offset the possible slowdown of exports. However, growth is expected to moderate in the next two years.

Given the region's strong macroeconomic fundamentals, modestly-geared balance sheets and ample liquidity, we remain upbeat about Asian equities for the medium term. Valuation has crept up with Asia now trading at forward consensus multiples of 15.8x earnings. Nonetheless, valuation, in our view, appears full in absolute terms as well as against the region's history. We do not foresee a further re-rating but believe that returns should broadly track earnings growth. The key risks remain exogenous - any sharper-than-expected export slowdown, oil shocks and sudden drops in the appetite of investors for risky assets.

### Global Equities

Returns in Singapore dollars for the period under review:

	Stock Market (In SGD)	Currencies (Agst SGD)	
MSCI World	+8.0%		
MSCI North America	+7.1%	USD	-0.2%
MSCI UK	+8.7%	GBP	+2.2%
MSCI Europe ex-UK	+11.3%	EUR	+2.3%
MSCI Japan	+2.2%	JPY	-3.6%
MSCI Far East ex-Japan	+15.6%		-
MSCI Australia	+18.9%	AUD	+7.3%
MSCI New Zealand	+11.9%	NZD	+9.4%

Source: Datastream and Bloomberg

After finishing on a high note in 2006, global equities markets began steadily in 2007 before falling victim to the jitters in late February sell-off that was brought on by the selling in China's expensive domestic market and renewed fears that a US slowdown could turn into recession. In line with our view that both "causes" seemed, even at the time, little more than convenient excuses to lock in some profits, markets rebounded fairly quickly and ended the March quarter on a rising mode. The second quarter though dotted with bouts of volatility has also seen markets ending on an upbeat mood.

After months of speculating that interest rates in the US were due for a cut, investors are waking up to the reality that economic slowdown in US is not as bad as initially feared. In fact the economy has been exhibiting underlying signs of strength. The US Federal Reserve Board has therefore stayed their ground during this review period and kept policy rates steady while still maintaining their firm inflation bias. The release of tame inflation figures at the end of June somewhat reassured investors of the future direction of the Federal Reserve policy. This has undoubtedly renewed investors' confidence in equity markets which in turn has generated market momentum moving into the second half of the year.

The macro outlook on the different regions has been varied. While US was grappling with the conundrum of mixed economic data during this review period, Europe, led by their biggest market, Germany, was reporting high growth and rising inflationary pressures. This has led to a round of interest rate hikes by the central banks in Europe and UK. Meanwhile, Japanese economy is recovering and corporate profits on the rise but confidence levels remain muted. Japan's stock markets remain vulnerable to swings in the US, the latter being its largest export market.

The review period also witnessed stock markets being driven by take-over activity among the smaller capitalised firms on the back of cheap financing options. Lately in Europe however, the prospect of higher interest rates has raised doubts about the future of such merger and acquisition activity among the smaller capitalised firms. Interest is now swinging back in favour of larger firms.

With markets being subject to periods of uncertainty, sector rotation remains a key strategy for investors; switching from high growth to defensive stocks during bouts of higher risk aversion. Technology stocks for instance, struggled throughout the first quarter when concerns about health of the US economy reached its peak. This trend has reversed and currently technology related stocks are back on investors' radar screen.

The global economy has held up remarkably well, despite the slowdown being seen in the US. In fact, the global macro economic outlook remains stable while inflationary pressures

seem to within reasonable boundaries. In this environment, market optimism appears set to continue well into the second half of the year, and possibly beyond. However, expect markets to go through episodes of volatility on the back of various concerns such as overheating in China, fallout from US sub-prime housing issues and risk of higher oil prices derailing growth.

### Global Fixed Income

Returns in Singapore dollars for the period under review:

	Bond Market	Currencies	
Citigroup World Government Bond Index	-0.4%		
Citigroup US Government Bond Index	+1.0%	USD	-0.2%
Citigroup EMU Government Bond Index	+0.7%	EUR	+2.3%
Citigroup Japan Government Bond Index	-3.8%	JPY	-3.6%

Source: Datastream on a total return basis

Global bonds began the year on a weak note. The sell-offs that began in early December continued throughout most of January; reason being that bond investors were caught off-guard by emerging evidence that US economic growth while slowing was still at a respectable clip thereby dashing hopes of an interest rate cut. It was only as bond investors arrived at the conclusion that the Federal Reserve Board would keep interest rates on hold rather than increase that bonds rallied. Severe growth jitters then hit equity markets in late February extending till early March. As to be anticipated, many longer dated higher quality bonds such as government bonds did well during the equity sell-off as investors rushed for safety. The trend reversed sharply by end of March as investors shook off short-lived risk aversion and bid up risk assets all the way through to May. Inflation and interest rate hike fears returned in early June causing a global bond sell-off, driving bond prices down again and pushing US 10 year Treasuries yield to a 5 year high. A sense of normalcy only returned to bond markets after the latest Federal Reserve decision to maintain rates at 5.25%, marking a full year of steady policy.

Meanwhile, debt issuance, another factor that influences bond yields, is expected to pick up, especially in the US. Data seems to suggest that factories in US and Europe are producing at near full capacity; a sign that companies will soon increase business spending and issue new debt to fund the expenses.

Nevertheless the key factor determining future direction of global bond yields will continue to be market's assessment of US inflationary trends. Adding to this is the fact that the US Federal Reserve Board is maintaining its firm inflation bias despite recent declines in core inflation. In line with this, Prudential too has never shut the door to the possibility of rate hikes, and as such continue to maintain a short duration on our bond funds.

## SCHEDULE OF INVESTMENTS

As at 30 June 2007

### PRULINK SINGAPORE MANAGED FUND

#### Investments classified by Country

	Market Value SGD	% of Net Assets
Australia	4,250,200	0.15
Bermuda	21,547,460	0.75
Cayman Islands	18,254,531	0.64
France	6,258,600	0.22
Germany	3,154,500	0.11
India	12,103,150	0.42
Jersey	7,518,522	0.26
Netherlands	9,178,500	0.32
Singapore	2,655,952,001	92.56
South Korea	17,786,816	0.62
United Arab Emirates	6,747,188	0.24
United States	67,676,435	2.36

#### Investments classified by Industry

	Market Value SGD	% of Net Assets
Airlines	91,885,226	3.20
Banks	770,103,086	26.84
Beverages	38,622,597	1.35
Commercial Services	23,727,808	0.83
Distribution & Wholesale	35,606,591	1.24
Electronics	38,314,653	1.34
Engineering & Construction	95,211,782	3.32
Financial Services	171,331,696	5.97
Food	32,488,253	1.13
Healthcare Services	21,316,400	0.74
Holding Companies	150,395,080	5.24
Media	56,281,154	1.96
Multi Industry	14,260,250	0.50
Real Estate	451,039,326	15.72
Shipbuilding	45,921,650	1.60
Sovereign Government Obligations	362,015,754	12.62
Telecommunications	235,562,268	8.21
Transportation	114,623,543	3.99
Water	21,133,111	0.74
Others	60,587,675	2.11

#### Investments classified by Asset Class

	Market Value SGD	% of Net Assets
Equities	2,056,944,736	71.69
Fixed Income Securities	773,483,167	26.96
Cash & Equivalents	38,868,010	1.35

**Investments by Credit Rating of Debt Securities  
(by Moody's or equivalents)**

	<b>Market Value SGD</b>	<b>% of Net Assets</b>
Aaa	370,793,203	12.92
Aa1	6,402,494	0.22
Aa2	100,263,475	3.49
Aa3	37,177,185	1.30
A1	15,925,688	0.56
A2	5,649,238	0.20
A3	39,352,998	1.37
Baa2	26,225,350	0.91
Not rated	171,693,536	5.99

**Investments by Credit Rating of Debt Securities  
Top 10 Holdings as at 30 June 2007**

	<b>Market Value SGD</b>	<b>% of Net Assets</b>
DBS Group Holdings Ltd	237,330,284	8.27
Singapore Telecommunications Ltd	235,562,268	8.21
United Overseas Bank Ltd	235,497,306	8.21
Oversea-Chinese Banking Corporation Ltd	202,124,086	7.04
Keppel Corporation Limited	130,725,750	4.56
Capitaland Ltd	101,573,927	3.54
Singapore Airlines Ltd	91,885,226	3.20
City Developments	78,417,077	2.73
Singapore Exchange Ltd	69,540,800	2.42
Singapore Government Bond	60,017,062	2.09

**Top 10 Holdings as at 30 June 2006**

	<b>Market Value SGD</b>	<b>% of Net Assets</b>
DBS Group Holdings Ltd	204,117,736	10.00
Singapore Telecommunications Ltd	189,167,618	9.27
United Overseas Bank Ltd	179,983,799	8.82
Oversea-Chinese Banking Corporation Ltd	162,261,422	7.95
Keppel Corporation Limited	79,931,691	3.92
Singapore Airlines Ltd	68,002,302	3.33
Singapore Press Holdings Ltd	61,472,703	3.01
Capitaland Ltd	54,769,460	2.68
Singapore Government Bond 3.625% 01/07/2014	54,297,000	2.66
City Developments Ltd	53,292,934	2.61

**Exposure to Derivatives**

Not applicable

**Investments in Collective Investment Schemes**

Not applicable

**Borrowings**

Not applicable

**Total Subscriptions and Redemptions for the period ended 30 June 2007**

	<b>Subscriptions</b>	<b>Redemptions</b>
SGD	177,300,225	149,833,251

**Related Party Transactions**

Fund management charge of 1% per annum paid to Prudential Assurance Company Singapore (Pte) Ltd.

**Annualised Expense Ratio\***

2007: 1.01%      2006: 1.01%

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

**Turnover Ratio**

2007: 57.52%      2006: 29.33%

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

Nil

**Soft Dollar Commission**

Not applicable



## SCHEDULE OF INVESTMENTS

As at 30 June 2007

### PRULINK ASIAN EQUITY FUND

#### Investments classified by Country

	Market Value SGD	% of Net Assets
Bermuda	12,953,442	1.20
Cayman Islands	43,238,371	3.99
China	93,294,601	8.61
Hong Kong	180,051,156	16.61
India	39,308,173	3.63
Indonesia	35,075,741	3.24
Malaysia	29,548,863	2.73
Philippines	12,026,682	1.11
Singapore	59,450,582	5.48
South Korea	241,815,398	22.30
Taiwan	245,312,638	22.63
Thailand	53,992,207	4.98
United Kingdom	6,379,303	0.59
United States	16,685,166	1.54

#### Investments classified by Industry

	Market Value SGD	% of Net Assets
Auto Manufactures	6,719,412	0.62
Auto Parts & Equipment	9,262,863	0.85
Banks	144,880,730	13.37
Beverages	6,077,787	0.56
Chemicals	8,180,523	0.75
Coal	21,104,966	1.95
Computers	42,379,550	3.91
Electric Companies	36,029,025	3.32
Electrical Equipments	23,784,242	2.19
Electronics	83,803,836	7.73
Energy	11,230,664	1.04
Engineering & Construction	22,958,448	2.12
Financial Services	27,724,219	2.56
Hand & Machine Tools	7,351,462	0.68
Holding Companies	19,040,812	1.76
Insurance	55,507,728	5.12
Internet	20,669,603	1.91
Investment Companies	9,021,762	0.83
Media	11,136,193	1.03
Mining	30,472,674	2.81
Miscellaneous Machinery	14,003,253	1.29
Multi Industry	78,839,381	7.27
Real Estate	85,219,881	7.86
Retail	25,672,153	2.37
Semiconductors	137,638,777	12.70
Telecommunications	119,314,486	11.01
Transportation	6,367,079	0.59
Others	4,740,814	0.44

#### Investments classified by Asset Class

	Market Value SGD	% of Net Assets
Equities	1,064,470,015	98.21
Investment Funds	4,662,308	0.43
Cash & Equivalents	14,744,489	1.36

**Investments by Credit Rating of Debt Securities**  
Not applicable

**Top 10 Holdings as at 30 June 2007**

	<b>Market Value SGD</b>	<b>% of Net Assets</b>
Taiwan Semiconductor Manufacturing	44,890,953	4.14
Samsung Electronics Co Ltd	43,294,394	3.99
China Mobile Ltd	40,264,960	3.71
Asustek Computer Inc	31,185,214	2.88
Yanzhou Coal Mining Co	30,472,674	2.81
Kookmin Bank	29,970,230	2.77
Singapore Telecommunications Ltd	25,360,600	2.34
Advanced Info Service	21,997,391	2.03
Korea Exchange Bank	21,552,508	1.99
Petrochina Co Ltd	21,523,549	1.99

**Top 10 Holdings as at 30 June 2006**

	<b>Market Value SGD</b>	<b>% of Net Assets</b>
Samsung Electronics Co Ltd	57,807,864	6.85
Kookmin Bank	36,626,557	4.34
Cheung Kong Holdings Ltd	28,956,905	3.43
Taiwan Semiconductor Manufacturing	24,127,246	2.86
Hana Financial Group	22,135,171	2.62
Hon Hai Precision Industry	21,700,919	2.57
Swire Pacific Ltd - A	21,180,486	2.51
China Mobile	16,665,816	1.97
City Developments Ltd	16,665,636	1.97
Singapore Telecommunications Ltd	16,052,800	1.90

**Exposure to Derivatives**

	<b>Market Value SGD</b>	<b>% of Net Assets</b>
(i) <b>Market value of derivatives</b>	Nil	
(ii) <b>Net gain/(loss) on derivatives realised</b>	<b>SGD</b>	
Forward Contracts	(544)	
(iii) <b>Net gain/(loss) on outstanding derivatives</b>	Nil	

**Investments in Collective Investment Schemes**

Prulink Asian Equity invests SGD 4,622,308, equivalent to 0.43% of its net asset value in Rreef China Commercial Trust Units.

**Borrowings**

Not applicable

**Related Party Transactions**

Fund management charge of 1.3% per annum paid to Prudential Assurance Company Singapore (Pte) Ltd.

**Total Subscriptions and Redemptions for the period ended 30 June 2007**

	<b>Subscriptions</b>	<b>Redemptions</b>
SGD	24,415,507	67,324,859

**Annualised Expense Ratio\***

2007: 1.34%      2006: 1.33%

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

**Turnover Ratio**

2007: 46.74%      2006: 26.18%

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

Nil

**Soft Dollar Commission**

Not applicable

# SCHEDULE OF INVESTMENTS

As at 30 June 2007

## PRULINK SINGAPORE CASH FUND

### Investments classified by Country

	Market Value SGD	% of Net Assets
Australia	2,005,864	2.50
Germany	2,001,687	2.49
Hong Kong	1,500,750	1.87
Iceland	2,503,150	3.11
India	251,950	0.31
Japan	2,999,566	3.73
Singapore	20,849,357	25.94
South Korea	22,041,123	27.42
Sweden	5,009,833	6.23
United Arab Emirates	2,003,232	2.49

### Investments classified by Industry

	Market Value SGD	% of Net Assets
Banks	22,021,615	27.40
Beverages	2,002,367	2.49
Financial Institutions (Non Ec)	5,000,950	6.22
Financial Services	18,312,029	22.78
Food	3,006,600	3.74
Real Estate	2,332,325	2.90
Shipbuilding	998,700	1.24
Sovereign Government Obligations	6,990,815	8.70
Others	501,111	0.62

### Investments classified by Asset Class

	Market Value SGD	% of Net Assets
Fixed Income Securities	61,166,512	76.09
Cash & Equivalents	19,223,033	23.91

### Investments by Credit Rating of Debt Securities / Money Market Instruments (by Moody's or equivalents)

	Market Value SGD	% of Net Assets
Aaa	1,988,440	2.47
Aa2	251,088	0.31
Aa3	3,512,925	4.37
A1	5,256,895	6.54
A2	9,009,926	11.21
A3	21,039,065	26.17
Baa2	4,252,150	5.29
Not rated	15,856,023	19.73

**Investment by Maturity of Money Market Instruments**

	<b>Market Value SGD</b>	<b>% of Net Assets</b>
Up to 30 days	12,254,100	15.24
31 - 60 days	499,800	0.62
61 - 90 days	7,258,737	9.03
121 - 180 days	502,050	0.62
181 - 240 days	16,374,764	20.38
241 - 300 days	14,026,091	17.45
More than 301 days	10,250,970	12.75

**Top 10 Holdings as at 30 June 2007**

	<b>Market Value SGD</b>	<b>% of Net Assets</b>
Export Import Bank Korea 07/10/2007	5,002,375	6.22
Kookmin Bank 28/04/2008	5,001,250	6.22
Hitachi Int Treasury Ltd 2.76% 30/07/2007	5,000,950	6.22
Shinhan Bank 3.615% 26/02/2008	4,019,898	5.00
Cmbkko 3.52% 23/01/2008	4,017,400	5.00
Korea Exchange Bank 25/01/2008	4,000,200	4.98
Kim Eng Sec 3.75% 27/02/2008	3,016,500	3.75
SwedBank Hypotek 3.4% 24/01/2008	3,013,125	3.75
Orix Corp 2.9% 24/04/2008	2,999,566	3.73
Housing & Development Board 3.52% 13/02/2008	2,332,325	2.90

**Top 10 Holdings as at 30 June 2006**

	<b>Market Value SGD</b>	<b>% of Net Assets</b>
Hana Bank 3.67% 30/05/2007	4,001,000	7.11
Sunshine Assets Ltd 3.75% 23/04/2007	3,994,200	7.09
Countrywide Financial Corp 3.75% 17/03/2007	3,492,825	6.20
Depfa Pfandbriefbank AG 4.75% 20/09/2006	3,255,809	5.78
SMRT Corporation Ltd 3.41% 21/12/2006	2,995,275	5.32
Export Import Bank of Korea 3.62353% 24/11/2006	2,992,350	5.31
Nordea Bank AB 2.08% 30/08/2006	2,991,470	5.31
Mapletreelog Treasury Co 3.5175% 29/05/2009	2,971,050	5.28
Solitaire Capital 5% 31/05/2007	2,707,210	4.81
AB Spintab 3.5% 22/06/2007	2,493,625	4.43

**Exposure to Derivatives**

Not applicable

**Investments in Collective Investment Schemes**

Not applicable

**Borrowings**

Not applicable

**Related Party Transactions**

Fund management charge of 0.1% per annum paid to Prudential Assurance Company Singapore (Pte) Ltd.

**Total Subscriptions and Redemptions for the period ended 30 June 2007**

	Subscriptions	Redemptions
SGD	47,022,486	15,867,906

**Annualised Expense Ratio\***

2007: 0.11%      2006: 0.11%

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

**Turnover Ratio**

2007: 26.16%      2006: 30.15%

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

Nil

**Soft Dollar Commission**

Not applicable

## SCHEDULE OF INVESTMENTS

As at 30 June 2007

### PRULINK GLOBAL EQUITY FUND

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets
	<u>Singapore</u>		
3,845,263	International Opportunities Funds - World Value Equity Class D	102,262,076	99.95

#### Exposure to Derivatives

Not applicable

#### Investments in Collective Investment Schemes

PruLink Global Equity Fund invests SGD 102,262,076, equivalent to 99.95% of its net asset value, in International Opportunities Funds - World Value Equity Class D.

#### Borrowings

Not applicable

#### Related Party Transactions

- (i) PruLink Global Equity Fund invests SGD 102,262,076, equivalent to 99.95% of its net asset value, in International Opportunities Funds - World Value Equity Class D. Some directors of the International Opportunities Funds, an open-ended investment company registered in Luxembourg, are also directors of Prudential Assurance Company Singapore (Pte) Ltd.
- (ii) Fund management charge of 1.5% per annum paid to Prudential Assurance Company Singapore (Pte) Ltd. This charge is included as part of unrealised appreciation/(depreciation) in value of underlying investments as shown in the Capital and Income Account.

#### Total Subscriptions and Redemptions for the period ended 30 June 2007

	Subscriptions	Redemptions
SGD	Nil	7,692,040

#### Annualised Expense Ratio\*

2007: 1.56%      2006: 1.57%

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

#### Turnover Ratio

2007: 2.10%      2006: 4.94%

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

Nil

#### Soft Dollar Commission

Not applicable

## INTERNATIONAL OPPORTUNITIES FUNDS - WORLD VALUE EQUITY

### Top 10 Holdings as at 30 June 2007

	Market Value USD	% of Net Assets
Exxon Mobil Corporation	5,291,880	1.70
E.On Ag	4,637,908	1.40
BP PLC	4,306,143	1.30
General Electric Co	4,280,876	1.30
Vodafone Group PLC	4,221,957	1.30
Citigroup Inc	3,865,026	1.20
AT&T Inc	3,861,011	1.20
Glaxosmithkline PLC	3,785,294	1.20
Total SA	3,487,000	1.10
Bank Of America Corporation	3,424,518	1.10

### Top 10 Holdings as at 30 June 2006

	Market Value USD	% of Net Assets
Exxon Mobil Corporation	4,359,663	1.60
BP PLC	4,242,955	1.50
General Electric Company	3,982,419	1.40
Royal Bank of Scotland Group	3,747,067	1.40
Citigroup Inc	3,640,070	1.30
Glaxosmithkline PLC	3,579,125	1.30
Bank of America Corporation	3,395,196	1.20
HSBC Holdings PLC	3,085,488	1.10
BNP Paribas	2,961,865	1.10
Pfizer Inc	2,863,168	1.00

### Annualised Expense Ratio\*

2007: 0.33%      2006: 0.30%

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

### Turnover Ratio

2007: 23.80%      2006: 16.12%



## SCHEDULE OF INVESTMENTS

As at 30 June 2007

### PRULINK GLOBAL BOND FUND

#### Investments classified by Country

	Market Value SGD	% of Net Assets
Austria	2,894,970	2.92
Canada	4,891,753	4.94
Cayman Islands	3,234,753	3.27
France	1,732,267	1.75
Germany	41,493,776	41.89
Italy	886,424	0.89
Japan	9,884,052	9.98
Netherlands	402,421	0.41
Norway	3,699,429	3.73
Poland	856,079	0.86
Sweden	698,539	0.71
United Kingdom	5,570,296	5.62
United States	20,927,763	21.13

#### Investments classified by Industry

	Market Value SGD	% of Net Assets
Banks	6,815,928	6.88
Financial Services	3,699,429	3.73
Government	2,797,815	2.82
Insurance	3,234,753	3.27
Sovereign Government Obligations	80,624,597	81.40

#### Investments classified by Asset Class

	Market Value SGD	% of Net Assets
Fixed Income Securities	97,172,522	98.10
Cash & Equivalents	1,883,893	1.90

#### Investments by Credit Rating of Debt Securities (by Moody's or equivalents)

	Market Value SGD	% of Net Assets
Aaa	62,731,713	63.33
Aa1	2,797,815	2.82
Aa2	4,121,178	4.16
A2	6,594,056	6.66
Not rated	20,927,760	21.13

**Top 10 Holdings as at 30 June 2007**

	<b>Market Value SGD</b>	<b>% of Net Assets</b>
Deutschland Rep DBR 6% 04/07/2007	10,888,998	10.99
US Treasury Note/Bond 7.5% 15/11/2016	10,787,054	10.89
Deutschland Rep DBR 5.25% 04/07/2010	7,285,489	7.35
Deutschland Rep DBR 6% 20/06/2016	6,704,299	6.77
Japan Government Bond 0.7% 20/03/2013	5,737,977	5.79
US Treasury Note/Bond 5.375% 15/02/2031	5,375,942	5.43
Deutschland Rep DBR 5.625% 04/01/2028	5,314,135	5.36
Deutschland Rep DBR 3.75% 04/01/2015	4,219,621	4.26
Development Bank of Japan 1.4% 20/06/2012	4,146,076	4.19
Bayerische Lndbk 1.4% 22/04/2013	3,920,958	3.96

**Top 10 Holdings as at 30 June 2006**

	<b>Market Value SGD</b>	<b>% of Net Assets</b>
Bundesobligation 4.5% 18/08/2006	10,301,432	10.73
Deutschland Rep DBR 5.25% 04/07/2010	5,975,912	6.22
US Treasury Note/Bond 3.875% 15/05/2010	5,096,066	5.31
Landwirtschaftliche Rentenbank 1.375% 25/04/2013	4,763,831	4.96
Deutschland Rep DBR 4.5% 04/01/2013	4,655,053	4.85
Poland Government Bond 6.25% 24/10/2015	3,958,262	4.12
Eksportfinans 1.8% 21/06/2010	3,925,966	4.09
Development Bank of Japan 1.4% 20/06/2012	3,924,680	4.09
US Treasury Note/Bond 4.125% 15/05/2015	3,808,367	3.97
Ontario Province ONT 1.875% 25/01/2010	3,418,064	3.56

**Exposure to Derivatives**

	<b>Market Value SGD</b>	<b>% of Net Assets</b>
(i) <b>Market value of derivatives</b>	Nil	
(ii) <b>Net gain/(loss) on derivatives realised</b>	<b>SGD</b>	
Forward Contracts	97,758	
(iii) <b>Net gain/(loss) on outstanding derivatives</b>	Nil	

**Investments in Collective Investment Schemes**

Not applicable

**Borrowings**

Not applicable

**Related Party Transactions**

Fund management charge of 0.5% per annum paid to Prudential Assurance Company Singapore (Pte) Ltd.

**Total Subscriptions and Redemptions for the period ended 30 June 2007**

	Subscriptions	Redemptions
SGD	5,332,728	4,245,673

**Annualised Expense Ratio\***

2007: 0.52%      2006: 0.51%

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

**Turnover Ratio**

2007: 167.19%      2006: 71.11%

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

Nil

**Soft Dollar Commission**

Not applicable

## SCHEDULE OF INVESTMENTS

As at 30 June 2007

### PRULINK GLOBAL MANAGED FUND

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets
	<u>Singapore</u>		
44,370,723	PruLink Global Equity Fund	58,900,804	52.71
43,474,942	PruLink Global Bond Fund	52,591,637	47.07
	<b>Total Investments</b>	<b>111,492,441</b>	<b>99.78</b>

### Exposure to Derivatives

Not applicable

### Investments in Collective Investment Schemes

PruLink Global Managed Fund invests SGD 58,900,804 and SGD 52,591,637 equivalent to 52.71% and 47.07% of its net asset value, in PruLink Global Equity Fund and PruLink Global Bond Fund respectively.

### Borrowings

Not applicable

### Related Party Transactions

- (i) PruLink Global Managed Fund invests SGD 58,900,804 and SGD 52,591,637 equivalent to 52.71% and 47.07% of its net asset value, in PruLink Global Equity Fund and PruLink Global Bond Fund respectively.
- (ii) Fund management charge of 1% per annum paid to Prudential Assurance Company Singapore (Pte) Ltd. This charge is included as part of unrealised appreciation/(depreciation) in value of underlying investments as shown in the Capital and Income Account.

### Total Subscriptions and Redemptions for the period ended 30 June 2007

	Subscriptions	Redemptions
SGD	87,616	6,498,008

### Annualised Expense Ratio\*

2007: 1.07%      2006: 1.05%

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

### Turnover Ratio

2007: 6.51%      2006: 5.94%

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

Nil

### Soft Dollar Commission

Not applicable

*Note: Please refer to PruLink Global Equity Fund and PruLink Global Bond Fund for information on underlying sub-funds.*

## SCHEDULE OF INVESTMENTS

As at 30 June 2007

### PRULINK GLOBAL TECHNOLOGY FUND

Number of Shares	Investment Funds <u>Singapore</u>	Market Value SGD	% of Net Assets
213,823,219	PRU Global Technology Fund	134,494,805	99.88

#### Exposure to Derivatives

Not applicable

#### Investments in Collective Investment Schemes

PruLink Global Technology Fund invests SGD 134,494,805, equivalent to 99.88% of its net asset value, in PRU Global Technology Fund.

#### Borrowings

Not applicable

#### Related Party Transactions

- i) PruLink Global Technology Fund invests SGD 134,494,805 equivalent to 99.88% of its net asset value, in PRU Global Technology Fund.
- (ii) Fund management charge of 1.5% per annum paid to Prudential Assurance Company Singapore (Pte) Ltd. This charge is included as part of unrealised appreciation/(depreciation) in value of underlying investments as shown in the Capital and Income Account.

#### Total Subscriptions and Redemptions for the period ended 30 June 2007

	Subscriptions	Redemptions
SGD	Nil	30,510,190

#### Annualised Expense Ratio\*

2007: 1.68%      2006: 1.96%

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

#### Turnover Ratio

2007: 0.36%      2006: 0.19%

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

Nil

#### Soft Dollar Commission

Not applicable

## **PRU GLOBAL TECHNOLOGY FUND**

PRU Global Technology Fund is a feeder fund which feeds into the Luxembourg-domiciled International Opportunities Funds - Global Technology Fund.

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

2007: 1.93%      2006: 1.96%

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

### **Turnover Ratio**

2007: 0.14%      2006: 0.28%

## **INTERNATIONAL OPPORTUNITIES FUNDS - GLOBAL TECHNOLOGY**

### **Top 10 Holdings as at 30 June 2007**

	<b>Market Value USD</b>	<b>% of Net Assets</b>
Schering - Plough Corporation	2,246,210	2.50
Flir Systems Inc	2,103,984	2.30
Synopsys Inc	2,090,400	2.30
Oracle Corporation	2,064,400	2.30
Siemens AG-Reg	1,993,332	2.20
Canon Inc	1,992,946	2.20
Sony Corporation NPV	1,950,139	2.10
Intralot SA Integrated Lottery Systems & Service	1,826,495	2.00
Philips Electronics NV	1,822,715	2.00
LG Electronics Inc	1,819,048	2.00

### **Top 10 Holdings as at 30 June 2006**

	<b>Market Value USD</b>	<b>% of Net Assets</b>
Samsung Electronics Co Ltd	3,379,520	3.20
Sony Corporation NPV	3,213,896	3.10
Canon Inc	3,154,570	3.00
Siemens AG-Reg	3,130,486	3.00
Hewlett-Packard Company	2,692,890	2.60
MacDonald Dettwiler & Associates Ltd	2,463,832	2.40
Philips Electronics NV	2,246,047	2.20
Intralot SA Integrated Lottery Systems & Service	2,212,656	2.10
Zoran Corporation	2,194,010	2.10
Barco New NV	2,192,108	2.10

## SCHEDULE OF INVESTMENTS

As at 30 June 2007

### PRULINK PAN EUROPEAN FUND

Number of Shares	Investment Funds <u>Singapore</u>	Market Value SGD	% of Net Assets
35,527,561	PRU Pan European Fund	53,042,648	98.45

#### Exposure to Derivatives

Not applicable

#### Investments in Collective Investment Schemes

PruLink Pan European Fund invests SGD 53,042,648, equivalent to 98.45% of its net asset value, in PRU Pan European Fund.

#### Borrowings

Not applicable

#### Related Party Transactions

- (i) PruLink Pan European Fund invests SGD 53,042,648, equivalent to 98.45% of its net asset value, in PRU Pan European Fund.
- (ii) Fund management charge of 1.5% per annum paid to Prudential Assurance Company Singapore (Pte) Ltd. This charge is included as part of unrealised appreciation/(depreciation) in value of underlying investments as shown in the Capital and Income Account.

#### Total Subscriptions and Redemptions for the period ended 30 June 2007

	Subscriptions	Redemptions
SGD	15,418,325	4,137,880

#### Annualised Expense Ratio\*

2007: 1.75%      2006: 1.89%

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

#### Turnover Ratio

2007: 5.91%      2006: 7.04%

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

Nil

#### Soft Dollar Commission

Not applicable

### **PRU PAN EUROPEAN FUND**

PRU Pan European Fund is a feeder fund which feeds into the Luxembourg-domiciled International Opportunities Funds - Pan European Fund.

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

2007: 1.78%      2006: 1.89%

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

#### **Turnover Ratio**

2007: 7.14%      2006: 5.87%

### **INTERNATIONAL OPPORTUNITIES FUNDS - PAN EUROPEAN**

#### **Top 10 Holdings as at 30 June 2007**

	<b>Market Value USD</b>	<b>% of Net Assets</b>
Kloeckner & Co	3,286,617	3.90
Essilor International SA	2,946,910	3.50
FLS Industries A/S-B Shares Dkk20	2,731,471	3.20
Elringklinger AG	2,657,552	3.10
CRH Plc	2,541,993	3.00
Daimlerchrysler AG-Reg	2,475,302	2.90
SGL Carbon AG	2,414,784	2.80
Sidenor Steel Production & Manufacturing	2,367,760	2.80
Cap Gemini SA	2,183,055	2.60
Tullow Oil Plc	2,160,092	2.50

#### **Top 10 Holdings as at 30 June 2006**

	<b>Market Value USD</b>	<b>% of Net Assets</b>
Vallourec	1,451,242	4.60
CRH Plc	816,727	2.60
Nutreco Honding NV	816,306	2.60
Total SA	794,620	2.50
Capitalia Spa	786,052	2.50
Douglas Holding AG	782,245	2.50
Laws Group Plc	771,354	2.40
Amplifon Spa	726,423	2.30
USG People NV	724,150	2.30
Dassault Systemes SA	723,912	2.30



## SCHEDULE OF INVESTMENTS

As at 30 June 2007

### PRULINK PROTECTED GLOBAL TITANS FUND

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets
	<u>Singapore</u>		
12,782,281	PRU Protected Global Titans Fund (S\$)	14,149,986	99.85

### Exposure to Derivatives

Not applicable

### Investments in Collective Investment Schemes

PruLink Protected Global Titans Fund invests SGD 14,149,986, equivalent to 99.85% of its net asset value, in PRU Protected Global Titans Fund (S\$).

### Borrowings

Not applicable

### Related Party Transactions

- (i) PruLink Protected Global Titans Fund invests SGD 14,149,986, equivalent to 99.85% of its net asset value, in PRU Protected Global Titans Fund (S\$).
- (ii) Fund management charge of 0.55% per annum paid to Prudential Assurance Company Singapore (Pte) Ltd. This charge is included as part of unrealised appreciation/(depreciation) in value of underlying investments as shown in the Capital and Income Account.

### Total Subscriptions and Redemptions for the period ended 30 June 2007

	Subscriptions	Redemptions
SGD	Nil	1,624,083

### Annualised Expense Ratio

2007: 0.86%      2006: 0.73%

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

### Turnover Ratio

2007: 4.56%      2006: 1.35%

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

Nil

### Soft Dollar Commission

Not applicable

**PRU PROTECTED GLOBAL TITANS FUND (S\$)****Top 10 Holdings as at 30 June 2007**

	<b>Market Value SGD</b>	<b>% of Net Assets</b>
Mapletree Treasury Bills 2.61% due 10/08/2007	1,515,204	9.07
Shinhan Bank 3.615% due 26/02/2008	1,017,256	6.09
Glitnir Bank HF 3.7% due 31/08/2007	1,013,992	6.07
Woori Bank 3.52% due 23/01/2008	758,031	4.54
Kookmin Bank TV due 28/04/2008	753,475	4.51
General Elec Cap 2.725% due 10/11/2008	750,856	4.50
Swedbank AB 2.75% due 20/06/2008	749,677	4.49
Toyota Kreditbank 2.5% due 29/12/2008	749,005	4.49
Macquarie Bank 3.43% due 18/01/2008	509,193	3.05
Emirates Bank 3.7% due 07/09/2007	506,659	3.03

**Top 10 Holdings as at 30 June 2006**

	<b>Market Value SGD</b>	<b>% of Net Assets</b>
Depfa Pfandbriefbank 4.75% 20/09/2006	1,522,442	7.96
Sunshine Assets Ltd 3.75% 23/04/2007	1,505,613	7.87
Mapletree Treasury Svcs 2.61% 10/08/2007	1,484,266	7.76
Nordea Bank AB (PUBL) 2.08% 30/08/2006	1,013,863	5.30
Pacific Life Funding LLC 3.61% 16/04/2007	1,004,693	5.25
Export Import Bank Korea 3.28939% 25/11/2006	999,866	5.23
SMRT Corporation Ltd 3.41% 21/12/2006	998,866	5.22
Kim Eng Holdings 2.48% 20/09/2006	996,180	5.21
Shinhan Bank 2.5% 21/10/2006	995,795	5.21
Macquarie Bank Ltd 2.21% 24/10/2006	757,348	3.96

**Annualised Expense Ratio\***

2007: 0.76%      2006: 0.73%

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

**Turnover Ratio**

2007: 0.09%      2006: 39.76%

## SCHEDULE OF INVESTMENTS

As at 30 June 2007

### PRULINK ASIAN REACH MANAGED FUND

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets
	<u>Singapore</u>		
363,609,371	PRU Asian Balanced Fund	613,409,009	99.55

#### Exposure to Derivatives

Not applicable

#### Investments in Collective Investment Schemes

PruLink Asian Reach Managed Fund invests SGD 613,409,009, equivalent to 99.55% of its net asset value, in PRU Asian Balanced Fund.

#### Borrowings

Not applicable

#### Related Party Transactions

- (i) PruLink Asian Reach Managed Fund invests SGD 613,409,009, equivalent to 99.55% of its net asset value, in PRU Asian Balanced Fund.
- (ii) Fund management charge of 1% per annum paid to Prudential Assurance Company Singapore (Pte) Ltd. This charge is included as part of unrealised appreciation/(depreciation) in value of underlying investments as shown in the Capital and Income Account.

#### Total Subscriptions and Redemptions for the period ended 30 June 2007

	Subscriptions	Redemptions
SGD	79,226,036	41,972,624

#### Annualised Expense Ratio\*

2007: 1.21%      2006: 1.21%

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

#### Turnover Ratio

2007: 1.54%      2006: 0.11%

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

Nil

#### Soft Dollar Commission

Not applicable

### **PRU ASIAN BALANCED FUND**

PRU Asian Balanced Fund is a feeder fund which feeds into the Luxembourg-domiciled International Opportunities Funds - Asian Equity for its equity participation and International Opportunities Funds - US High Investment Grade Bond and International Opportunities Funds - US Investment Grade Bond for its bond participation.

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

2007: 1.47%      2006: 1.47%

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

#### **Turnover Ratio**

2007: 1.49%      2006: 9.53%

### **INTERNATIONAL OPPORTUNITIES FUNDS - ASIAN EQUITY**

#### **Top 10 Holdings as at 30 June 2007**

	<b>Market Value USD</b>	<b>% of Net Assets</b>
Samsung Electronic Co Ltd	28,306,737	4.80
Rio Tinto Limited	24,285,633	4.10
Hon Hai Precision Industry	19,620,502	3.30
Kookmin Bank	18,506,422	3.10
Cheung Kong Holdings	16,716,871	2.80
Taiwan Semiconductor Manufacturing	16,316,207	2.80
China Mobile (Hong Kong) Ltd	15,836,887	2.70
Cathay Financial Holding Company	15,210,549	2.60
SK Corporation	14,669,961	2.50
China Resources Power Holdings	14,271,575	2.40

#### **Top 10 Holdings as at 30 June 2006**

	<b>Market Value USD</b>	<b>% of Net Assets</b>
Samsung Electronic Co Ltd	20,664,206	6.70
Kookmin Bank	12,227,755	4.00
Taiwan Semiconductor Manufacturing	10,628,235	3.40
Swire Pacific Ltd A	8,622,262	2.80
Cheung Kong Holdings	8,418,726	2.70
Hon Hai Precision Industry	8,364,390	2.70
Hana Financial Group Inc	8,343,965	2.70
CNOCC Ltd	5,976,030	1.90
DBS Group Ltd	5,528,533	1.80
China Mobile (Hong Kong) Ltd	5,448,126	1.80

## **INTERNATIONAL OPPORTUNITIES FUNDS - US HIGH INVESTMENT GRADE BOND**

### **Top 10 Holdings as at 30 June 2007**

	<b>Market Value USD</b>	<b>% of Net Assets</b>
AT&T Inc 4.125% 15/09/2009	17,955,693	3.70
General Elec Cap Corp 5.65% 06/09/2014	9,542,112	2.00
US Treasury N/B 4% 15/02/2015	9,497,159	2.00
Procter & Gamble Co 5.3% 06/07/2009	8,986,680	1.90
HSBC Finance 6.4% 17/06/2008	8,500,867	1.80
JP Morgan Chase & Co 6.625% 15/03/2012	7,928,697	1.70
Household Credit Card Master Trust FRN 15/06/2012	7,174,496	1.50
General Electric Cap Corp 5.5% 04/06/2014	6,887,265	1.40
CIT Group Inc 5.8% 28/07/2011	6,371,731	1.30
JP Morgan Chase MBS FRN 12/12/2044	6,213,502	1.30

### **Top 10 Holdings as at 30 June 2006**

	<b>Market Value USD</b>	<b>% of Net Assets</b>
Household Finance 6.4% 17/06/2008	9,746,102	2.70
JP Morgan Chase & Co 4% 01/02/2008	8,428,205	2.30
JP Morgan Chase & Co 6.625% 15/03/2012	7,891,166	2.20
Bank of America Corp 7.4% 15/01/2011	6,183,651	1.70
US Treasury 4% 15/02/2014	5,826,517	1.60
US Bancorp 5.3% 28/04/2009	5,445,875	1.50
General Electric Capital Corp 5.5% 28/04/2011	5,444,868	1.50
US Treasury N/B 4.875% 15/02/2021	5,372,983	1.50
JP Morgan & Co 5.75% 15/10/2008	4,991,665	1.40
Bank of America Corp/Old 7.125% 15/01/2011	4,636,931	1.30

## **INTERNATIONAL OPPORTUNITIES FUNDS - US INVESTMENT GRADE BOND**

### **Top 10 Holdings as at 30 June 2007**

	<b>Market Value USD</b>	<b>% of Net Assets</b>
Vodafone Group PLC 7.75% 15/02/2010	6,289,932	2.30
US Treasury Bond 6.25% 15/08/2023	5,699,616	2.10
Household Credit Card Master Trust FRN 15/06/2012	5,465,951	2.00
US Treasury Bond 4.5% 30/04/2012	4,553,670	1.60
General Elec Cap Corp 5.65% 06/09/2014	4,472,865	1.60
JP Morgan Chase Comm MBS 5.32694% 15/12/2044	3,894,490	1.40
Residential Capital Corp 6.375% 30/06/2010	3,579,399	1.30
Capital One Financial 5.7% 15/09/2011	3,397,943	1.20
Bear Sterns Commercial Mortgage 5.405% 11/12/2040	3,391,675	1.20
CVS Caremark Corp FRN 01/06/2010	3,099,595	1.10

### **Top 10 Holdings as at 30 June 2006**

	<b>Market Value USD</b>	<b>% of Net Assets</b>
US Treasury 4% 15/02/2014	3,468,165	2.60
Commercial Mortgage 6.57% Mbs 15/12/2030	3,018,277	2.20
Bank of America Mortgage Securities Frn 25/05/2035	2,249,850	1.70
Citibank Credit Card Issuance Trust 4.95% 25/10/2020	1,959,584	1.50
Dr Horton 6% 15/04/2011	1,935,416	1.40
Deutsche Telekom Intl Finance 8% 15/06/2010	1,873,758	1.40
Wells Fargo Mortgage Backed Sec Trust Frn 25/09/2034	1,761,534	1.30
Harrahs Operating Co Inc 5.5% 01/07/2010	1,750,498	1.30
ICI Wilmington 4.375% 01/12/2008	1,696,612	1.30
Conoco Inc 6.95% 15/04/2029	1,618,793	1.20

## SCHEDULE OF INVESTMENTS

As at 30 June 2007

### PRULINK CHINA-INDIA FUND

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets
	<u>Singapore</u>		
330,824,312	PRU Dragon Peacock Fund	821,767,592	99.43

### Exposure to Derivatives

Not applicable

### Investments in Collective Investment Schemes

PruLink China-India Fund invests SGD 821,767,592, equivalent to 99.43% of its net asset value, in PRU Dragon Peacock Fund.

### Borrowings

Not applicable

### Related Party Transactions

- (i) PruLink China-India Fund invests SGD 821,767,592, equivalent to 99.43% of its net asset value, in PRU Dragon Peacock Fund.
- (ii) Fund management charge of 1.5% per annum paid to Prudential Assurance Company Singapore (Pte) Ltd. This charge is included as part of unrealised appreciation/(depreciation) in value of underlying investments as shown in the Capital and Income Account.

### Total Subscriptions and Redemptions for the period ended 30 June 2007

	Subscriptions	Redemptions
SGD	126,728,082	110,419,054

### Annualised Expense Ratio\*

2007: 1.72%      2006: 1.71%

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

### Turnover Ratio

2007: 11.95%      2006: 2.89%

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

Nil

### Soft Dollar Commission

Not applicable

**PRU DRAGON PEACOCK FUND****Top 10 Holdings as at 30 June 2007**

	<b>Market Value SGD</b>	<b>% of Net Assets</b>
Reliance Industries Ltd	81,411,324	8.25
China Mobile Ltd	75,560,479	7.66
Infosys Technologies Ltd	53,808,516	5.45
ICICI Bank Ltd	52,709,453	5.34
Bank of China Ltd	37,535,696	3.80
Ping An Insurance Group	33,115,774	3.36
Oil & Natural Gas Corporation Ltd	29,268,838	2.97
China Telecom Corporation Ltd	28,525,615	2.89
China Petroleum & Chemical Corporation	26,393,922	2.67
CNOOC Ltd	26,064,034	2.64

**Top 10 Holdings as at 30 June 2006**

	<b>Market Value SGD</b>	<b>% of Net Assets</b>
Infosys Tech Ltd	43,995,574	6.51
Reliance Indus	43,642,472	6.45
CNOOC Ltd	40,306,799	5.96
Jiangxi Copper Co Ltd	32,729,581	4.84
China Mobile Ltd	26,929,630	3.98
Agile Property Holdings Ltd	22,601,410	3.34
Kowloon Development Co Ltd	22,261,803	3.29
ICICI Bank Ltd	21,452,565	3.17
Guangdong Investment Ltd	20,460,831	3.03
ITC Ltd	19,598,818	2.90

**Annualised Expense Ratio\***

2007: 1.73%      2006: 1.72%

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

**Turnover Ratio**

2007: 56.00%      2006: 42.15%

## SCHEDULE OF INVESTMENTS

As at 30 June 2007

### PRULINK EMERGING MARKETS FUND

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets
	<u>Singapore</u>		
5,391,500	Franklin Templeton Investment Funds - Templeton Emerging Markets Fund	313,583,655	99.43

### Exposure to Derivatives

Not applicable

### Investments in Collective Investment Schemes

PruLink Emerging Markets Fund invests SGD 313,585,655, equivalent to 99.43% of its net asset value, in Franklin Templeton Investment Funds - Templeton Emerging Markets Fund.

### Borrowings

Not applicable

### Related Party Transactions

Fund management charge of 2.1% per annum paid to Prudential Assurance Company Singapore (Pte) Ltd. This charge is included as part of unrealised appreciation/(depreciation) in value of underlying investments as shown in the Capital and Income Account.

### Total Subscriptions and Redemptions for the period ended 30 June 2007

	Subscriptions	Redemptions
SGD	13,430,465	52,656,625

### Annualised Expense Ratio\*

2007: 2.55%      2006: 2.51%

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

### Turnover Ratio

2007: 11.46%      2006: 6.35%

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

Nil

### Soft Dollar Commission

Not applicable



**FRANKLIN TEMPLETON INVESTMENT FUNDS - TEMPLETON EMERGING MARKETS FUND****Top 10 Holdings as at 30 June 2007**

	<b>Market Value SGD</b>	<b>% of Net Assets</b>
Remgro Ltd	81,691,125	3.45
Akbank TAS	70,320,612	2.97
Mining and Metallurgical Co. Norilsk Nickel	70,142,409	2.96
PetroChina Co Ltd	67,729,877	2.86
Companhia Vale do Rio Doce, ADR, pfd., A	66,499,939	2.81
Aluminum Corp of China Ltd	63,425,898	2.68
Petroleo Brasileiro SA, ADR, pfd	63,179,760	2.67
America Movil SAB	57,495,920	2.43
Anglo American PLC	52,910,406	2.23
SK Corp	46,230,131	1.95

**Top 10 Holdings as at 30 June 2006**

	<b>Market Value SGD</b>	<b>% of Net Assets</b>
Samsung Electronics Co Ltd	104,014,772	5.18
Petroleo Brasileiro SA, ADR, pfd.	71,961,071	3.58
PetroChina Co Ltd	62,742,147	3.12
LUKOIL, ADR	55,711,101	2.77
Remgro Ltd	44,251,979	2.20
Taiwan Semiconductor Manufacturing Co Ltd	38,466,923	1.91
Companhia Vale do Rio Doce, ADR, pfd., A	38,272,899	1.91
Anglo American PLC	37,236,095	1.85
Tupras-Turkiye Petrol Rafineleri AS	34,943,041	1.74
China Mobile Ltd	34,435,465	1.71

**Annualised Expense Ratio\***

2007: 2.56%      2006: 2.54%

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

**Turnover Ratio\*\***

2007: 62.50%      2006: 49.27%

\*\* Portfolio turnover rate is the portfolio turnover rate of the corresponding underlying funds of Franklin Templeton Investment Funds, and is calculated in accordance with the Luxembourg Commission for the Supervision of the Financial Sector ("CSSF") undertakings for collective investment in transferable securities (UCITS) simplified prospectus.

## SCHEDULE OF INVESTMENTS

As at 30 June 2007

### PRULINK AMERICA FUND

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets
	<u>Singapore</u>		
723,988	Fidelity Funds - America Fund	6,072,434	100.05

### Exposure to Derivatives

Not applicable

### Investments in Collective Investment Schemes

PruLink America Fund invests SGD 6,072,434, equivalent to 100.05% of its net asset value, in Fidelity Funds - America Fund.

### Borrowings

Not applicable

### Related Party Transactions

Fund management charge of 1.5% per annum paid to Prudential Assurance Company Singapore (Pte) Ltd. This charge is included as part of unrealised appreciation/(depreciation) in value of underlying investments as shown in the Capital and Income Account.

### Total Subscriptions and Redemptions for the period ended 30 June 2007

	Subscriptions	Redemptions
SGD	Nil	2,626,696

### Annualised Expense Ratio\*

2007: 1.91%      2006: 1.94%

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

### Turnover Ratio

2007: 3.80%      2006: 1.94%

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

Nil

### Soft Dollar Commission

Not applicable

**FIDELITY FUNDS - AMERICA FUND****Top 10 Holdings as at 30 April 2007**

	<b>Market Value USD</b>	<b>% of Net Assets</b>
General Electric (US)	103,824,000	6.30
AT&T	57,680,000	3.50
Google 'A'	47,792,000	2.90
Wal Mart Stores	37,904,000	2.30
Unitedhealth Group	34,608,000	2.10
Fannie Mae	34,608,000	2.10
Valero Energy	34,608,000	2.10
Monsanto New	28,016,000	1.70
Cisco Systems	28,016,000	1.70
Allergan	26,368,000	1.60

**Top 10 Holdings as at 30 April 2006**

	<b>Market Value USD</b>	<b>% of Net Assets</b>
General Electric (US)	134,969,617	5.44
American International Group	127,784,689	5.15
Unitedhealth Group	113,414,510	4.57
Sprint Nextel	77,696,314	3.13
Valero Energy	71,316,401	2.88
Johnson & Johnson	70,893,121	2.86
Google 'A'	57,953,026	2.34
Ebay	51,425,086	2.07
Federated Department Stores	43,434,435	1.75
Apple Computer	42,977,921	1.73

**Annualised Expense Ratio\***

2007: 1.89%      2006: 1.90%

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

**Turnover Ratio**

2007: 85.40%      2006: 82.86%

## SCHEDULE OF INVESTMENTS

As at 30 June 2007

### PRULINK INTERNATIONAL BOND FUND

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets
	<u>Singapore</u>		
17,770,149	Fidelity Funds - International Bond Fund II	17,627,988	99.95

#### Exposure to Derivatives

Not applicable

#### Investments in Collective Investment Schemes

PruLink International Bond Fund invests SGD 17,627,988, equivalent to 99.95% of its net asset value, in Fidelity Funds - International Bond Fund II.

#### Borrowings

Not applicable

#### Related Party Transactions

Fund management charge of 0.75% per annum paid to Prudential Assurance Company Singapore (Pte) Ltd. This charge is included as part of unrealised appreciation/(depreciation) in value of underlying investments as shown in the Capital and Income Account.

#### Total Subscriptions and Redemptions for the period ended 30 June 2007

	Subscriptions	Redemptions
SGD	Nil	4,794,748

#### Annualised Expense Ratio\*

2007: 1.16%      2006: 1.29%

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

#### Turnover Ratio

2007: 129.19%      2006: 12.45%

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

Nil

#### Soft Dollar Commission

Not applicable

**FIDELITY FUNDS - INTERNATIONAL BOND FUND II****Top 10 Holdings as at 30 April 2007**

	<b>Market Value USD</b>	<b>% of Net Assets</b>
Finland 3.875% 15/09/2017	8,008,000	10.40
Japan #10 1.1% 10/12/2016	4,466,000	5.80
Japan #207 0.9% 22/12/2008	3,157,000	4.10
France OAT 3.75% 25/04/2017	2,849,000	3.70
US Treasury Note 2% 15/07/2014	2,464,000	3.20
UK Treasury 8% 07/06/2021	1,848,000	2.40
Canada 4% 01/06/2016	1,694,000	2.20
Japan #16 2.5% 20/09/2034	1,617,000	2.10
Japan #37 FRN 20/11/2020	1,540,000	2.00
BA Covered Bond 4.125% 05/04/2012	1,540,000	2.00

**Top 10 Holdings as at 30 April 2006**

	<b>Market Value USD</b>	<b>% of Net Assets</b>
Austria 4% 15/09/2016	31,660,652	9.69
France OAT 3.25% 25/04/2016	22,617,062	6.92
Germany Schatz 3% 14/03/2008	17,160,362	5.25
Japan #207 0.9% 22/12/2008	15,192,475	4.65
Finland 2.75% 15/09/2010	13,557,257	4.15
UK Treasury 5% 07/03/2012	11,017,878	3.37
US Treasury Note 3.625% 15/01/2010	10,131,977	3.10
Canada 4.5% 01/09/2007	8,462,827	2.59
Japan #259 1.5% 20/03/2014	8,187,711	2.50
US Treasury Note 4.375% 15/08/2012	7,806,984	2.39

**Annualised Expense Ratio\***

2007: 1.15%      2006: 1.15%

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

**Turnover Ratio**

2007: 66.27%      2006: 281.39%

## SCHEDULE OF INVESTMENTS

As at 30 June 2007

### PRULINK ADAPT 2015 FUND

<b>Number of Shares</b>	<b>Investment Funds</b>	<b>Market Value SGD</b>	<b>% of Net Assets</b>
	<b><u>Singapore</u></b>		
4,683,046	PruLink Singapore Equity Fund	9,152,498	15.54
10,768,819	PruLink Singapore Bond Fund	11,496,037	19.52
	<b><u>Ireland</u></b>		
55,997	Russell Investment Company - Global Bond Fund	16,149,261	27.43
337,247	Russell Investment Company - US Equity Fund	7,628,122	12.95
56,689	Russell Investment Company - Continental European Fund	3,877,547	6.58
3,913	Russell Investment Company - Japan Equity Fund	1,244,867	2.11
17,368	Russell Investment Company - UK Equity Fund	878,282	1.49
	<b><u>Luxembourg</u></b>		
87,236	International Opportunities Funds - Pan European	2,389,324	4.06
36,112	International Opportunities Funds - Asian Equity	1,917,059	3.26
	<b>Total Investments in Funds</b>	<b>54,732,997</b>	<b>92.94</b>
2,557,000	Fixed Income Securities	2,846,209	4.83
	<b>Total Investments</b>	<b>57,579,206</b>	<b>97.77</b>

### Exposure to Derivatives

	<b>Market Value SGD</b>	<b>% of Net Assets</b>
(i) <b>Market value of derivatives</b>		
Forward Contracts	(152,175)	(0.26)
(ii) <b>Net gain/(loss) on derivatives realised</b>	<b>SGD</b>	
Forward Contracts	375,318	
(iii) <b>Net gain/(loss) on outstanding derivatives</b>	<b>SGD</b>	
Forward Contracts	(152,175)	

### Investments in Collective Investment Schemes

PruLink Adapt 2015 Fund is a feeder fund which feeds into the PruLink Singapore Equity Fund, Russell Investment Company ("RIC") - US Equity Fund, RIC - Continental European Fund, RIC - Japan Equity Fund, RIC - UK Equity Fund, International Opportunities Funds - Pan European and International Opportunities Funds - Asian Equity for its equity participation; and PruLink Singapore Bond Fund and RIC - Global Bond Fund for its bond participation.

**Borrowings**

Not applicable

**Related Party Transactions**

- (i) PruLink Adapt 2015 Fund invests SGD 9,152,498 (15.54%), SGD 11,496,037 (19.52%), SGD 2,389,324 (4.06%) and SGD 1,917,059 (3.26%) in PruLink Singapore Equity Fund, PruLink Singapore Bond Fund, International Opportunities Funds - Pan European and International Opportunities Funds - Asian Equity respectively. Some directors of the International Opportunities Funds, an open-ended investment company registered in Luxembourg, are also directors of Prudential Assurance Company Singapore (Pte) Ltd.
- (ii) Fund management charge of 1.5% per annum paid to Prudential Assurance Company Singapore (Pte) Ltd. This charge is included as part of unrealised appreciation/(depreciation) in value of underlying investments as shown in the Capital and Income Account.

**Total Subscriptions and Redemptions for the period ended 30 June 2007**

	Subscriptions	Redemptions
SGD	7,412,992	4,403,054

**Annualised Expense Ratio\***

2007: 1.61%      2006: 1.91%

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

**Turnover Ratio**

2007: 23.51%      2006: 17.16%

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

Nil

**Soft Dollar Commission**

Not applicable

## SCHEDULE OF INVESTMENTS

As at 30 June 2007

### PRULINK ADAPT 2025 FUND

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets
	<b><u>Singapore</u></b>		
19,200,224	PruLink Singapore Equity Fund	37,524,726	15.96
11,501,749	PruLink Singapore Bond Fund	12,278,462	5.22
	<b><u>Ireland</u></b>		
2,432,527	Russell Investment Company - US Equity Fund	55,020,817	23.41
158,655	Russell Investment Company - Global Bond Fund	45,755,192	19.46
293,254	Russell Investment Company - Continental European Fund	20,058,556	8.53
35,621	Russell Investment Company - Japan Equity Fund	11,333,829	4.82
107,697	Russell Investment Company - UK Equity Fund	5,446,030	2.32
	<b><u>Luxembourg</u></b>		
597,987	International Opportunities Funds - Pan European	16,378,318	6.97
127,677	International Opportunities Funds - Asian Equity	6,777,877	2.88
	<b>Total Investments in Funds</b>	<b>210,573,807</b>	<b>89.57</b>
11,996,000	Fixed Income Securities	13,352,807	5.68
	<b>Total Investments</b>	<b>223,926,614</b>	<b>95.25</b>

### Exposure to Derivatives

	Market Value SGD	% of Net Assets
(i) <b>Market value of derivatives</b>		
Forward Contracts	(375,109)	(0.16)
(ii) <b>Net gain/(loss) on derivatives realised</b>	<b>SGD</b>	
Forward Contracts	759,755	
(iii) <b>Net gain/(loss) on outstanding derivatives</b>	<b>SGD</b>	
Forward Contracts	(375,109)	

### Investments in Collective Investment Schemes

PruLink Adapt 2025 Fund is a feeder fund which feeds into the PruLink Singapore Equity Fund, Russell Investment Company ("RIC") - US Equity Fund, RIC - Continental European Fund, RIC - Japan Equity Fund, RIC - UK Equity Fund, International Opportunities Funds - Pan European and International Opportunities Funds - Asian Equity for its equity participation; and PruLink Singapore Bond Fund and RIC - Global Bond Fund for its bond participation.



**Borrowings**

Not applicable

**Related Party Transactions**

- (i) PruLink Adapt 2025 Fund invests SGD 37,524,726 (15.96%), SGD 12,278,462 (5.22%), SGD 16,378,318 (6.97%) and SGD 6,777,877 (2.88%) in PruLink Singapore Equity Fund, PruLink Singapore Bond Fund, International Opportunities Funds - Pan European and International Opportunities Funds - Asian Equity respectively. Some directors of the International Opportunities Funds, an open-ended investment company registered in Luxembourg, are also directors of Prudential Assurance Company Singapore (Pte) Ltd.
- (ii) Fund management charge of 1.55% per annum paid to Prudential Assurance Company Singapore (Pte) Ltd. This charge is included as part of unrealised appreciation/(depreciation) in value of underlying investments as shown in the Capital and Income Account.

**Total Subscriptions and Redemptions for the period ended 30 June 2007**

	Subscriptions	Redemptions
SGD	78,541,509	10,261,312

**Annualised Expense Ratio\***

2007: 1.69%      2006: 1.88%

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

**Turnover Ratio**

2007: 14.30%      2006: 4.82%

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

Nil

**Soft Dollar Commission**

Not applicable

## SCHEDULE OF INVESTMENTS

As at 30 June 2007

### PRULINK ADAPT 2035 FUND

Number of Shares	Investment Funds	Market Value SGD	% of Net Assets
	<b><u>Singapore</u></b>		
4,827,697	PruLink Singapore Equity Fund	9,435,203	16.19
2,031,994	PruLink Singapore Bond Fund	2,169,215	3.72
	<b><u>Ireland</u></b>		
760,209	Russell Investment Company - US Equity Fund	17,195,010	29.50
28,497	Russell Investment Company - Global Bond Fund	8,218,233	14.10
79,855	Russell Investment Company - Continental European Fund	5,462,070	9.37
12,642	Russell Investment Company - Japan Equity Fund	4,022,376	6.90
33,781	Russell Investment Company - UK Equity Fund	1,708,242	2.92
	<b><u>Luxembourg</u></b>		
176,749	International Opportunities Funds - Pan European	4,840,993	8.30
34,902	International Opportunities Funds - Asian Equity	1,852,783	3.18
	<b>Total Investments in Funds</b>	<b>54,904,125</b>	<b>94.18</b>
959,000	Fixed Income Securities	1,067,468	1.83
	<b>Total Investments</b>	<b>55,971,593</b>	<b>96.01</b>

### Exposure to Derivatives

	Market Value SGD	% of Net Assets
(i) <b>Market value of derivatives</b>		
Forward Contracts	(72,656)	(0.12)
(ii) <b>Net gain/(loss) on derivatives realised</b>		
Forward Contracts	146,071	
(iii) <b>Net gain/(loss) on outstanding derivatives</b>		
Forward Contracts	(72,656)	

**Investments in Collective Investment Schemes**

PruLink Adapt 2035 Fund is a feeder fund which feeds into the PruLink Singapore Equity Fund, Russell Investment Company ("RIC") - US Equity Fund, RIC - Continental European Fund, RIC - Japan Equity Fund, RIC - UK Equity Fund, International Opportunities Funds - Pan European and International Opportunities Funds - Asian Equity for its equity participation; and PruLink Singapore Bond Fund and RIC - Global Bond Fund for its bond participation.

**Borrowings**

Not applicable

**Related Party Transactions**

- (i) PruLink Adapt 2035 Fund invests SGD 9,435,203 (16.19%), SGD 2,169,215 (3.72%), SGD 4,840,993 (8.30%) and SGD 1,852,783 (3.18%) in PruLink Singapore Equity Fund, PruLink Singapore Bond Fund, International Opportunities Funds - Pan European and International Opportunities Funds - Asian Equity respectively. Some directors of the International Opportunities Funds, an open-ended investment company registered in Luxembourg, are also directors of Prudential Assurance Company Singapore (Pte) Ltd.
- (ii) Fund management charge of 1.6% per annum paid to Prudential Assurance Company Singapore (Pte) Ltd. This charge is included as part of unrealised appreciation/(depreciation) in value of underlying investments as shown in the Capital and Income Account.

**Total Subscriptions and Redemptions for the period ended 30 June 2007**

	Subscriptions	Redemptions
SGD	16,705,827	4,333,020

**Annualised Expense Ratio\***

2007: 1.79%      2006: 2.00%

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

**Turnover Ratio**

2007: 15.66%      2006: 16.61%

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

Nil

**Soft Dollar Commission**

Not applicable

## SCHEDULE OF INVESTMENTS

As at 30 June 2007

### **PRULINK GLOBAL BASICS FUND**

<b>Number of Shares</b>	<b>Investment Funds</b>	<b>Market Value SGD</b>	<b>% of Net Assets</b>
	<u><b>Singapore</b></u>		
252,783,961	PRU Global Basics Fund	367,547,880	98.86

#### **Exposure to Derivatives**

Not applicable

#### **Investments in Collective Investment Schemes**

PruLink Global Basics Fund invests SGD 367,547,880, equivalent to 98.86% of its net asset value, in PRU Global Basics Fund.

#### **Borrowings**

Not applicable

#### **Related Party Transactions**

- (i) PruLink Global Basics Fund invests SGD 367,547,880, equivalent to 98.86% of its net asset value, in PRU Global Basics Fund.
- (ii) Fund management charge of 1.5% per annum paid to Prudential Assurance Company Singapore (Pte) Ltd. This charge is included as part of unrealised appreciation/(depreciation) in value of underlying investments as shown in the Capital and Income Account.

#### **Total Subscriptions and Redemptions for the period ended 30 June 2007**

	<b>Subscriptions</b>	<b>Redemptions</b>
SGD	54,076,246	41,750,320

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

2007: 1.74%      2006: Not applicable

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

#### **Turnover Ratio**

2007: 7.77%      2006: Not applicable

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

Nil

#### **Soft Dollar Commission**

Not applicable

### **PRU GLOBAL BASICS FUND**

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

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

2007: 1.76%      2006: Not applicable

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

#### **Turnover Ratio**

2007: 8.10%      2006: Not applicable

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

#### **Top 10 Holdings as at 30 June 2007**

	<b>Market Value GBP</b>	<b>% of Net Assets</b>
Lonmin	101,550,855	4.09
Pilgrims Pride	88,468,004	3.56
K&S AG	87,038,501	3.50
European Aeronautic Defence & Space	83,887,794	3.38
Eramet	78,942,405	3.18
Bluescope Steel	78,097,342	3.14
CSR Limited	77,375,994	3.11
Tullow Oil	73,027,375	2.94
SIMS Group Limited	70,278,358	2.83
Johnson Matthey	68,181,750	2.74

## SCHEDULE OF INVESTMENTS

As at 30 June 2007

### **PRULINK CURRENCY INCOME FUND**

<b>Number of Shares</b>	<b>Investment Funds</b>	<b>Market Value SGD</b>	<b>% of Net Assets</b>
	<b><u>Singapore</u></b>		
63,690,239	PRU Income X Fund	67,511,653	96.75

#### **Exposure to Derivatives**

Not applicable

#### **Investments in Collective Investment Schemes**

PruLink Currency Income Fund invests SGD 67,511,653, equivalent to 96.75% of its net asset value, in PRU Income X Fund.

#### **Borrowings**

Not applicable

#### **Related Party Transactions**

- (i) PruLink Currency Income Fund invests SGD 67,511,653, equivalent to 96.75% of its net asset value, in PRU Income X Fund.
- (ii) Fund management charge of 1.5% per annum paid to Prudential Assurance Company Singapore (Pte) Ltd. This charge is included as part of unrealised appreciation/(depreciation) in value of underlying investments as shown in the Capital and Income Account.

#### **Total Subscriptions and Redemptions for the period ended 30 June 2007**

	<b>Subscriptions</b>	<b>Redemptions</b>
SGD	67,195,288	323,587

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

2007: 1.72%      2006: Not applicable

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

#### **Turnover Ratio**

2007: 0.00%      2006: Not applicable

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

Nil

#### **Soft Dollar Commission**

Not applicable

**PRU INCOME X FUND****Top 10 Holdings as at 30 June 2007**

	<b>Market Value SGD</b>	<b>% of Net Assets</b>
Singapore Power 4.6% 21/09/2007	6,101,416	3.30
Hana Bank EMTN 3.68% 18/08/2007	6,085,251	3.29
Swedbank Hypotek Series EMTN 3.4% 24/01/2008	5,600,786	3.03
Macquarie Bank Limited EMTN 3.43% 18/01/2008	5,095,237	2.75
Export-Import Bank of Korea EMTN FRN 05/07/2007	5,093,127	2.75
Shinhan Bank EMTN 3.615% 26/02/2008	5,083,455	2.75
Hypo Real Estate Bank International EMTN 3.67% 25/09/2007	5,060,391	2.74
Woori Bank EMTN 3.52% 23/01/2008	5,053,539	2.73
Orix Corp Ser EMTN 2.9% 24/04/2008	5,026,895	2.72
Kookmin Bank EMTN Var 28/04/2008	5,025,668	2.72

**Annualised Expense Ratio\***

2007: 1.76%      2006: Not applicable

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

**Turnover Ratio**

2007: 31.37%      2006: Not applicable

# STATEMENT OF ASSETS AND LIABILITIES

As at 30 June 2007

	Singapore Managed Fund		Asian Equity Fund		Singapore Cash Fund Fund	
	\$	%	\$	%	\$	%
Equities	2,056,944,736	71.69	1,064,470,015	98.21	0	0.00
Fixed Income Securities	773,483,167	26.96	0	0.00	61,166,512	76.09
Investments in Funds	0	0.00	4,662,308	0.43	0	0.00
Value of Investments	2,830,427,903	98.65	1,069,132,323	98.64	61,166,512	76.09
<b>OTHER ASSETS</b>						
Interest bearing deposits and bank balances	27,459,299	0.96	19,123,910	1.76	20,684,936	25.73
Accrued and outstanding interest and dividends	9,053,925	0.32	2,703,894	0.25	541,966	0.67
Other assets	24,934,269	0.87	12,233,411	1.13	121,121	0.15
Total Assets	2,891,875,396	100.80	1,103,193,538	101.78	82,514,535	102.64
<b>LIABILITIES</b>						
Other liabilities	(22,579,483)	-0.80	(19,316,726)	-1.78	(2,124,989)	-2.64
<b>Value of Fund as at 30 June 2007</b>	2,869,295,913	100.00	1,083,876,812	100.00	80,389,546	100.00

	Global Equity Fund		Global Bond Fund		Global Managed Fund	
	\$	%	\$	%	\$	%
Fixed Income Securities	0	0.00	97,172,522	98.10	0	0.00
Investments in Funds	102,262,076	99.95	0	0.00	111,492,441	99.78
Value of Investments	102,262,076	99.95	97,172,522	98.10	111,492,441	99.78
<b>OTHER ASSETS</b>						
Interest bearing deposits and bank balances	(331,453)	-0.32	32,487	0.03	(106,887)	-0.10
Accrued and outstanding interest and dividends	0	0.00	1,871,985	1.89	0	0.00
Other assets	396,465	0.39	486,046	0.49	406,995	0.37
Total Assets	102,327,088	100.02	99,563,040	100.51	111,792,549	100.05
<b>LIABILITIES</b>						
Other liabilities	(14,251)	-0.02	(506,625)	-0.51	(56,996)	-0.05
<b>Value of Fund as at 30 June 2007</b>	102,312,837	100.00	99,056,415	100.00	111,735,553	100.00

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



# STATEMENT OF ASSETS AND LIABILITIES

As at 30 June 2007

	Global Technology Fund		European Fund		Protected Global Titans Fund	
	\$	%	\$	%	\$	%
Investments in Funds	134,494,805	99.88	53,042,648	98.45	14,149,986	99.85
Value of Investments	134,494,805	99.88	53,042,648	98.45	14,149,986	99.85
<b>OTHER ASSETS</b>						
Interest bearing deposits and bank balances	(964,358)	-0.72	2,105,383	3.91	(19,701)	-0.14
Accrued and outstanding interest and dividends	0	0.00	0	0.00	0	0.00
Other assets	1,200,806	0.90	836,416	1.55	67,905	0.48
Total Assets	134,731,253	100.06	55,984,447	103.91	14,198,190	100.19
<b>LIABILITIES</b>						
Other liabilities	(74,586)	-0.06	(2,104,817)	-3.91	(27,027)	-0.19
<b>Value of Fund as at 30 June 2007</b>	134,656,667	100.00	53,879,630	100.00	14,171,163	100.00

	Asian Reach Managed Fund		China-India Fund		Emerging Markets Fund	
	\$	%	\$	%	\$	%
Investments in Funds	613,409,009	99.55	821,767,592	99.43	313,583,655	99.43
Value of Investments	613,409,009	99.55	821,767,592	99.43	313,583,655	99.43
<b>OTHER ASSETS</b>						
Interest bearing deposits and bank balances	7,223,500	1.17	9,764,499	1.18	3,723,980	1.18
Accrued and outstanding interest and dividends	0	0.00	0	0.00	0	0.00
Other assets	2,799,870	0.45	4,677,421	0.57	1,775,391	0.57
Total Assets	623,432,379	101.17	836,209,512	101.18	319,083,026	101.18
<b>LIABILITIES</b>						
Other liabilities	(7,222,427)	-1.17	(9,764,491)	-1.18	(3,713,809)	-1.18
<b>Value of Fund as at 30 June 2007</b>	616,209,952	100.00	826,445,021	100.00	315,369,217	100.00

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

# STATEMENT OF ASSETS AND LIABILITIES

As at 30 June 2007

	America Fund		International Bond Fund		Adapt 2015 Fund	
	\$	%	\$	%	\$	%
Fixed Income Securities	0	0.00	0	0.00	2,846,209	4.83
Investments in Funds	6,072,434	100.05	17,627,988	99.95	54,732,997	92.94
Value of Investments	6,072,434	100.05	17,627,988	99.95	57,579,206	97.77
<b>OTHER ASSETS</b>						
Interest bearing deposits and bank balances	(110,700)	-1.82	(372,117)	-2.11	1,803,229	3.06
Accrued and outstanding interest and dividends	0	0.00	0	0.00	33,748	0.06
Other assets	110,706	1.82	380,260	2.16	372,953	0.64
Total Assets	6,072,440	100.05	17,636,131	100.00	59,789,136	101.53
<b>LIABILITIES</b>						
Other liabilities	(2,797)	-0.05	0	0.00	(900,958)	-1.53
<b>Value of Fund as at 30 June 2007</b>	6,069,643	100.00	17,636,131	100.00	58,888,178	100.00

	Adapt 2025 Fund		Adapt 2035 Fund		Global Basics Fund	
	\$	%	\$	%	\$	%
Fixed Income Securities	13,352,807	5.68	1,067,468	1.83	0	0.00
Investments in Funds	210,573,807	89.57	54,904,125	94.18	367,547,880	98.86
Value of Investments	223,926,614	95.25	55,971,593	96.01	367,547,880	98.86
<b>OTHER ASSETS</b>						
Interest bearing deposits and bank balances	15,643,118	6.65	3,484,753	5.98	7,983,297	2.15
Accrued and outstanding interest and dividends	160,308	0.07	13,034	0.02	0	0.00
Other assets	3,279,560	1.40	766,352	1.32	4,239,934	1.14
Total Assets	243,009,600	103.37	60,235,732	103.33	379,771,111	102.15
<b>LIABILITIES</b>						
Other liabilities	(7,918,614)	-3.37	(1,941,351)	-3.33	(7,983,119)	-2.15
<b>Value of Fund as at 30 June 2007</b>	235,090,986	100.00	58,294,381	100.00	371,787,992	100.00

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

# STATEMENT OF ASSETS AND LIABILITIES

As at 30 June 2007

	Currency Income Fund *	
	\$	%
Investments in Funds	67,511,653	96.75
Value of Investments	67,511,653	96.75
<b>OTHER ASSETS</b>		
Interest bearing deposits and bank balances	7,061,385	10.12
Accrued and outstanding interest and dividends	0	0.00
Other Assets	0	0.00
Total Assets	74,573,038	106.87
<b>LIABILITIES</b>		
Other Liabilities	(4,794,464)	-6.87
<b>Value of Fund as at 30 June 2007</b>	69,778,574	100.00

\* Fund was launched on 23 January 2007

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

## CAPITAL AND INCOME ACCOUNT

From 1 January 2007 to 30 June 2007

	Singapore Managed Fund \$	Asian Equity Fund \$	Singapore Cash Fund \$
Value of Fund as at 1 January 2007	2,458,797,223	968,175,847	47,981,271
Amounts paid to the Fund for creation of units	177,300,225	24,415,507	47,022,486
Amounts paid by the Fund for liquidation of units	(149,833,251)	(67,324,859)	(15,867,906)
Net cash (out of)/ into Fund	27,466,974	(42,909,352)	31,154,580
Investment income	43,457,745	15,494,957	1,243,598
Fund expenses	(13,331,519)	(7,969,206)	(41,014)
Net income/ (outgo)	30,126,226	7,525,751	1,202,584
Exchange gain/ (loss)	7,095	(633,265)	-
Net realised gain/ (loss) on sale of investments	161,054,071	93,593,740	(1,218)
Unrealised appreciation/(depreciation) in value of investments during the year	191,844,324	58,124,091	52,329
<b>Value of Fund as at 30 June 2007</b>	<b>2,869,295,913</b>	<b>1,083,876,812</b>	<b>80,389,546</b>

	Global Equity Fund \$	Global Bond Fund \$	Global Managed Fund \$
Value of Fund as at 1 January 2007	102,472,581	98,488,579	114,019,703
Amounts paid to the Fund for creation of units	-	5,332,728	87,616
Amounts paid by the Fund for liquidation of units	(7,692,040)	(4,245,673)	(6,498,008)
Net cash (out of)/ into Fund	(7,692,040)	1,087,055	(6,410,392)
Investment income	1,410	1,988,663	31,503
Fund expenses	(759,587)	(261,669)	(1,098)
Net income/ (outgo)	(758,177)	1,726,994	30,405
Exchange gain/ (loss)	-	(80,431)	-
Net realised gain/ (loss) on sale of investments	1,899,334	(2,068,301)	1,396,840
Unrealised appreciation/(depreciation) in value of investments during the year	6,391,139	(97,481)	2,698,997
<b>Value of Fund as at 30 June 2007</b>	<b>102,312,837</b>	<b>99,056,415</b>	<b>111,735,553</b>

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

## CAPITAL AND INCOME ACCOUNT

From 1 January 2007 to 30 June 2007

	Global Technology Fund \$	Pan European Fund \$	Protected Global Titans Fund \$
Value of Fund as at 1 January 2007	152,862,156	37,717,025	15,535,746
Amounts paid to the Fund for creation of units	-	15,418,325	-
Amounts paid by the Fund for liquidation of units	(30,510,190)	(4,137,880)	(1,624,083)
Net cash (out of)/ into Fund	(30,510,190)	11,280,445	(1,624,083)
Investment income	2,290	2,378	355
Fund expenses	(883,111)	(329,108)	(41,667)
Net income/ (outgo)	(880,821)	(326,730)	(41,312)
Exchange gain/ (loss)	-	-	-
Net realised gain/ (loss) on sale of investments	8,147,220	692,495	243,437
Unrealised appreciation/(depreciation) in value of investments during the year	5,038,302	4,516,395	57,375
<b>Value of Fund as at 30 June 2007</b>	<b>134,656,667</b>	<b>53,879,630</b>	<b>14,171,163</b>

	Asian Reach Managed Fund \$	China-India Fund \$	Emerging Markets Fund \$
Value of Fund as at 1 January 2007	534,471,736	648,969,198	314,527,346
Amounts paid to the Fund for creation of units	79,226,036	126,728,082	13,430,465
Amounts paid by the Fund for liquidation of units	(41,972,624)	(110,419,054)	(52,656,625)
Net cash (out of)/ into Fund	37,253,412	16,309,028	(39,226,160)
Investment income	10,544	7,086	11,633
Fund expenses	(2,063,565)	(5,279,199)	(1,603,393)
Net income/ (outgo)	(2,053,021)	(5,272,113)	(1,591,760)
Exchange gain/ (loss)	-	-	-
Net realised gain/ (loss) on sale of investments	4,079,467	31,174,123	10,822,164
Unrealised appreciation/(depreciation) in value of investments during the year	42,458,358	135,264,785	30,837,627
<b>Value of Fund as at 30 June 2007</b>	<b>616,209,952</b>	<b>826,445,021</b>	<b>315,369,217</b>

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

## CAPITAL AND INCOME ACCOUNT

From 1 January 2007 to 30 June 2007

	America Fund \$	International Bond Fund \$	Adapt 2015 Fund \$
Value of Fund as at 1 January 2007	8,168,315	22,460,209	52,254,782
Amounts paid to the Fund for creation of units	-	-	7,412,992
Amounts paid to the Fund for liquidation of units	(2,626,696)	(4,794,748)	(4,403,054)
Net cash (out of)/ into Fund	(2,626,696)	(4,794,748)	3,009,938
Investment income	289	938	78,810
Fund expenses	(28,479)	(40,546)	(332,405)
Net income/ (outgo)	(28,190)	(39,608)	(253,595)
Exchange gain/ (loss)	-	-	(6,736)
Net realised gain/ (loss) on sale of investments	203,072	15,298	2,419,473
Unrealised appreciation/(depreciation) in value of investments during the year	353,142	(5,020)	1,464,316
<b>Value of Fund as at 30 June 2007</b>	<b>6,069,643</b>	<b>17,636,131</b>	<b>58,888,178</b>

	Adapt 2025 Fund \$	Adapt 2035 Fund \$	Global Basics Fund \$
Value of Fund as at 1 January 2007	152,391,161	41,723,372	304,305,844
Amounts paid to the Fund for creation of units	78,541,509	16,705,827	54,076,246
Amounts paid by the Fund for liquidation of units	(10,261,312)	(4,333,020)	(41,750,320)
Net cash (out of)/ into Fund	68,280,197	12,372,807	12,325,926
Investment income	293,678	42,963	9,625
Fund expenses	(1,071,746)	(287,989)	(2,447,353)
Net income/ (outgo)	(778,068)	(245,026)	(2,437,728)
Exchange gain/ (loss)	(40,603)	(3,343)	-
Net realised gain/ (loss) on sale of investments	3,446,613	1,105,351	5,508,946
Unrealised appreciation/(depreciation) in value of investments during the year	11,791,686	3,341,220	52,085,004
<b>Value of Fund as at 30 June 2007</b>	<b>235,090,986</b>	<b>58,294,381</b>	<b>371,787,992</b>

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

## CAPITAL AND INCOME ACCOUNT

From 1 January 2007 to 30 June 2007

	Currency Income Fund * \$
Value of Fund as at 1 January 2007	-
Amounts paid to the Fund for creation of units	67,195,288
Amounts paid by the Fund for liquidation of units	(323,587)
Net cash (out of)/ into Fund	66,871,701
Investment income	3,898,386
Fund expenses	(156,568)
Net income/ (outgo)	3,741,818
Exchange gain/ (loss)	-
Net realised gain/ (loss) on sale of investments	156,568
Unrealised appreciation/(depreciation) in value of investments during the period	(991,513)
<b>Value of Fund as at 30 June 2007</b>	<b>69,778,574</b>

\* Capital and Income Account from 23 January 2007 to 30 June 2007

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

## NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

### 1 Summary of Significant Accounting Policies

- (a) The financial statements are expressed in Singapore dollars.
- (b) Income and expenses are accounted for on an accrual basis, dividends being credited to income when equities are quoted ex-date.
- (c) Monetary assets and liabilities in foreign currencies are translated into Singapore dollars at exchange rates approximate to those ruling at the balance sheet date. Transactions in foreign currencies are translated at rates ruling on transaction dates. Translation differences are dealt with through the Capital and Income Account.
- (d) Purchases and sales of investments are recognized on trade date – the date on which the Company commits to purchase or sell the asset.
- (e) All investments of PruLink Funds are valued at the last known transacted prices on 30 June 2007. Unquoted fixed income securities are valued at the prevailing prices quoted by banks and brokers. The resulting net gain or loss is dealt with through the Capital and Income Account.
- (f) The costs of disposal of investments are determined on the weighted average cost basis. All gains and losses are dealt with in the Capital and Income Account as they arise.

### 2 Units in Issue

The number of units in issue following the unit deal as at 30 June 2007 is:

Singapore Managed Fund	840,698,165
Asian Equity Fund	464,886,573
Singapore Cash Fund	63,278,842
Global Managed Fund	86,361,820
Global Equity Fund	77,073,507
Global Bond Fund	81,884,972
Pan European Fund	35,967,560
Global Technology Fund	202,625,863
Protected Global Titans Fund	12,769,053
Asian Reach Managed Fund	366,626,445
China-India Fund	365,584,636
Emerging Markets Fund	204,797,094
America Fund	5,572,838
International Bond Fund	19,945,056
Adapt 2015 Fund	50,592,016
Adapt 2025 Fund	192,380,828
Adapt 2035 Fund	46,529,335
Global Basics Fund	306,403,590
Currency Income Fund	63,521,882



# NOTES TO THE FINANCIAL STATEMENTS

## 3 Net Asset Value/Bid Price

The Net Asset Value (which is the bid price) per unit as at 30 June 2007 is:

Singapore Managed Fund	S\$3.41299
Asian Equity Fund	S\$2.33148
Singapore Cash Fund	S\$1.27040
Global Managed Fund	S\$1.29380
Global Equity Fund	S\$1.32747
Global Bond Fund	S\$1.20970
Pan European Fund	S\$1.49800
Global Technology Fund	S\$0.66455
Protected Global Titans Fund	S\$1.10980
Asian Reach Managed Fund	S\$1.68075
China-India Fund	S\$2.26061
Emerging Markets Fund	S\$1.53991
America Fund	S\$1.08914
International Bond Fund	S\$0.88423
Adapt 2015 Fund	S\$1.16398
Adapt 2025 Fund	S\$1.22200
Adapt 2035 Fund	S\$1.25285
Global Basics Fund	S\$1.21339
Currency Income Fund	S\$1.09849

- \* PruLink Singapore Managed Fund wins special Award for the Highest Absolute Returns over 10 years
- \*\* Unaudited figures as at 30 June 2007
- # PruLink Singapore Managed Fund

**Free Fund Switching facility:** Should your investment needs and preferences change, you can take advantage of our free fund switch option, switching from one PruLink fund to another, absolutely free.

For more up-to-date information on unit prices of all PruLink funds,  
visit our website at [www.prudential.com.sg](http://www.prudential.com.sg)  
For more information on your policies including the value of your investments and policy details,  
apply for PRUAccess via our website or call 1800 - 333 0 333

\*Unaudited as at 30 June 2007 (Please see overleaf)