

## Income distribution for Prudential Balanced Fund

28 March 2011 – Kuala Lumpur. Prudential Fund Management Berhad today announced an annual income distribution for the Prudential Balanced Fund of 3.88 sen per unit for its financial year ended 31 December 2010.

Fund	Gross Distribution per Unit (sen)	Dividend yield as at Financial Year End 31 December 2010
<b>PRUBalanced</b>	3.88	4.6973%

The Fund has outperformed its benchmark for the 1-year, 3-year, 5-year periods and since inception on the back of a stronger equity market. Given the improving economy, the Fund increased its equity exposure (thereby underweighted bonds) and overweighted cyclical stocks such as banking and plantation stocks that also led the economic recovery.

Fund	1-Year	3-Years	5-Years	Since Inception
<b>PRUBalanced Fund</b>				
Fund	16.19%	17.44%	68.57%	170.48%
Benchmark <sup>^</sup>	11.05%	11.96%	41.05%	97.03%
<b>Outperformance</b>	<b>5.14%</b>	<b>5.48%</b>	<b>27.52%</b>	<b>73.45%</b>

Source: Lipper Hindsight 2 March 2011

<sup>^</sup> Benchmark: 50% FBM100 + 50% 12-mth Maybank

All unit holders who have maintained their unit holdings as at 25 March 2011 will be entitled to this income distribution. The income distribution cheques are expected to be sent out by 6 April 2011.

### Market Outlook

Despite a slow start, 2010 brought about many events that will continue to shape the concerns and outlook of 2011. The equity markets ended the year higher, bringing about confidence that the global economy is improving. The new confidence coupled with the policies made by government in the past year sets the stage for what is in store for 2011.

We are positive on the oil and gas sector. This sector will continue to benefit from the high oil prices. The decision of Petronas to re-focus its huge capital expenditures on domestic fields is a big catalyst for the domestic oil & gas players. Furthermore, Malaysia has gas of about 14bn barrel of oil equivalent, which could be viewed more positively as a power source given the recent fears on nuclear power.

We are also positive on the MRT project. Given this massive investment, we believe Malaysia is in the early stage of a multi year investment cycle.

We do not think the recent negative events will derail these themes. At Prudential, we are valuation-driven stock picker, and we look at longer-term investment horizon. Therefore, any major market correction gives us opportunities to pick up stocks at deep discounts to their intrinsic value.

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### **Prudential Fund Management Berhad.**

Prudential Fund Management Berhad (PFMB) is part of Prudential plc (United Kingdom). Prudential plc is an international financial services group providing retail financial products and services and fund management to many millions of customers worldwide. As a group, Prudential plc has, as of 31 December 2010, over GBP340 billion of funds under management, and more than 25 million customers worldwide.

PFMB offers a comprehensive range of unit trust funds, and manages customised portfolio mandates for corporations, institutions, as well as government and pension funds. As the investment arm for Prudential's group in Malaysia, PFMB is also responsible for managing the Prudential Assurance Malaysia Berhad and Prudential BSN Takaful's investment-linked funds since January 2008 bringing its total funds under management to RM16.8 billion as at 31 December 2010.

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