PRU*jade structured fund*

PRUDENTIAL Fund Management

March 2011
As at 28 February 2011

FUND OBJECTIVE

Seeks to provide capital appreciation while endeavouring to preserve the capital of investors.

MANAGER'S COMMENTS

As at end Feb 11, the best performer, McDonald's stayed above the 100% knock-out level at 127.54%. This was followed by Petrochina Co Ltd at 103.72%. On the other hand, Nokia Oyj was the worst performer at 37.43% since inception.

Risky assets are expected to fare relatively well as bullish global forces remain in play and local risk factors seem manageable. Whilst the upward momentum in growth expectations, supported by stronger economic data, has been checked somewhat by the spike in oil prices, it is not expected to be severe enough to derail the global recovery. The IEA has stated it is prepared to release part of its strategic reserves, while Saudi Arabia has already started ramping up production, to make up for the shutdown in Libya's oil production. Hence, while oil will stay very volatile, price of Brent oil should ease in the following month.

Another bullish force is the still high levels of risk premia on equities versus cash and fixed income, compared with the gradual fading of risk perceptions. Risk premia can stay high when investors are very uncertain. However, measures of near-term uncertainty, taken from the dispersion of US one-year-out growth and earnings forecasts, have already come down to normal levels for an expansion. Further, more recent measures of longer-term uncertainty, taken from the dispersion of US FOMC growth forecasts are signalling a dramatic fall in uncertainty one to two years out.

However, the risk factors that have been buffeting these bullish forces — Emerging Market (EM) inflation, and the worsening debt levels of DM governments — remain in place, and have this past month been joined by the revolt in the MENA region. News flow from MENA is likely to stay scary for weeks, keeping markets volatile. But ultimately, political reform may be beneficial for the MENA region and the world. Further, whilst the spike in commodity prices is pushing up headline inflation, most central banks recognise it as negative to the economy. Hence, unless it leads to higher long-term inflation expectations, it should not induce aggressive monetary tightening. The possibility of disappointment from the ongoing discussion on a solution to the Europe sovereign debt crisis also appears to be priced in by the market. In short, while the main risk factors remain in place, the market is getting "used" to them and they should thus do less damage over time.

FUND MANAGER

Chow Kim Seng

Chow Kim Seng joined PFMB on 1st January 2008 as a Fund Manager. He holds a Master of Science majoring in Finance from the University of Strathclyde in Glasgow and a Bachelor of Science (Honours) majoring in Actuarial Science from Universiti Kebangsaan Malaysia. He is professionally qualified as an Associate of the Society of Actuaries USA, as a CFA Charterholder from the CFA Institute USA, and is also a member of the Persatuan Pasaran Kewangan Malaysia. He has 18 years of experience in the financial industry comprising 12 years in actuarial work and 6 years in investment research in Prudential Assurance Malaysia Berhad.

ISSUER

HSBC Bank (Malaysia) Berhad (127776-V)

BENCHMARK

1-year Malayan Banking Berhad fixed deposit rate	100%

MATURITY DATE

3 years the date which is the third anniversary of the Commencement Date.

We recommend that you read and understand the Prudential Master Prospectus before investing. To invest, obtain a current Master Prospectus & Application Form from the head office of Prudential Fund Management Berhad or any approved distributor. A copy of the Prudential Master Prospectus dated 15 July 2010 has been registered and lodged with the Securities Commission, who takes no responsibility for its contents. There are fees and expenses involved in investing in the funds. We suggest that you consider these charges carefully prior to making an investment. Past performance and income distributions are not guaranteed and may not be reflective of future performance and income distributions. Unit prices and income distributions, if any, may fall and rise. In the event that there is a discrepancy of information between the fact sheet and the prospectus, the information in the Prospectus shall prevail.

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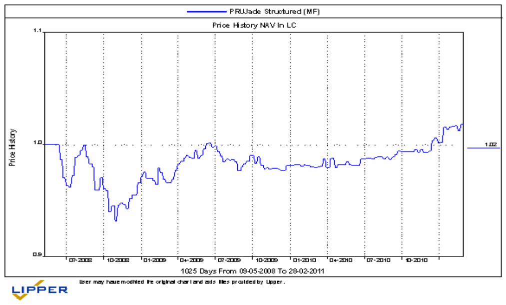
FUND INFORMATION

Launch date	09 May 2008
Fund category (as per Lipper Hindsight)	Protected
Fund type	Structured Product/Growth
Fund size	RM39,212,378.59
Launch price	RM1.0000
Sales charge	Up to 2.50% of NAV per unit
Annual management fee	Nil
Exit fees	1.50% of NAV per unit
Annual Expense Ratio as at 30 September 2010 (Source: Annual Report)	0.04%
EPF investment scheme	No

*OR SUCH AMOUNT WE MAY FROM TIME TO TIME DECIDE

Chart 1: Historical Price of Fund Since Inception



Source: Lipper Hindsight 5, 28 February 2011.

RISK

	Value
HSBC Risk Classification	2

FUND NAV

RM1.0179

	NAV	Date
52-Week High	RM1.0179	28-Feb-11
52-Week Low	RM0.9792	23-Apr-10

TRAILING RETURNS

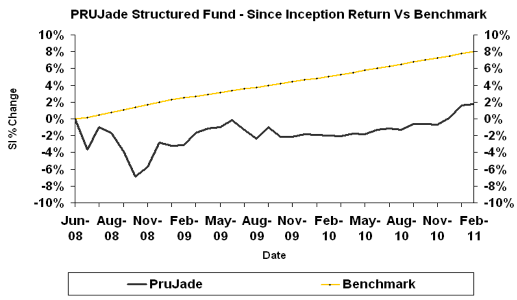
	1mth	6mth	1yr
Absolute Returns to Date	0.16%	3.15%	3.87%
Annualised Returns to Date	0.23%	1.41%	2.81%

* MBB 12-month FD Rate
Performance figures are sourced from Lipper Hindsight 5, 28 February 2011

CALENDAR YEAR RETURNS

	2009	2010
Fund	1.00%	2.04%
Index	2.54%	2.75%

Chart 2: Performance of Fund Since Inception



Source: Lipper Hindsight 5, 28 February 2011.

UNDERLYING EQUITY BASKET PERFORMANCE

Observation Date

Quarter 1: No observation during 1st quarter
Quarter 2: 12 Dec 2008
Quarter 3: 12 Mar 2009
Quarter 4: 12 Jun 2009
Quarter 5: 14 Sep 2009
Quarter 6: 12 Dec 2009
Quarter 7: 12 Mar 2010
Quarter 8: 14 Jun 2010
Quarter 9: 13 Sep 2010
Quarter 10: 14 Dec 2010
Quarter 11: 12 Mar 2011
Quarter 12: 13 Jun 2011

Equity Name	Initial Share Price	Last Price as of 13 Dec 2010	Price as of 28 February 2011
McDonald's Corporation	USD 59.34	77.11	75.68
China Mobile Limited	HKD 107.70	77.85	73.05
PetroChina Co Ltd	HKD 10.22	9.94	10.60
Nokia Oyj	EUR 16.78	7.48	6.28

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