

CASH FUND

SEMI ANNUAL REPORT
For the half year ended 30 June 2010

UNAUDITED FINANCIAL STATEMENTS
For the half year ended 30 June 2010

CASH FUND

Manager

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

Directors of the Manager

Graham David Mason (*appointed on 4 May 2010*)
Guy Robert Strapp
Julian Christopher Vivian Pull

Trustee

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

Auditors

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

Solicitors to the Manager

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

Solicitors to the Trustee

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

TABLE OF CONTENTS

	Page
SEMI ANNUAL REPORT	
For the half year ended 30 June 2010	
CASH FUND	
Manager's Commentary	3 - 4
Financial Highlights	5 - 11
UNAUDITED FINANCIAL STATEMENTS	
For the half year ended 30 June 2010	12 - 20

CASH FUND

Structure

The Cash Fund (“the Fund”) is an open-ended, standalone unit trust constituted in Singapore which is denominated in Singapore dollars and is a “money market fund” as defined in Appendix 3 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (“MAS”), which guidelines may be amended from time to time (“Money Market Funds Investment Guidelines”).

Investment Objective

The investment objective of the Fund is to provide liquidity to investors and provide a return comparable to that of Singapore-dollar savings deposits. The Fund will predominantly hold its assets in Singapore-dollar deposits with eligible financial institutions as defined in the Money Market Funds Investment Guidelines (“Eligible Financial Institutions”)¹, with varying terms of maturity of not more than 366 calendar days.

Manager’s Commentary

Fund performance

The Fund returned 0.10% (bid-to-bid basis) over the review period, which was higher than its benchmark’s return of 0.07%.

Market background

The local interest rates stayed at their low levels from end of 2009 through the first quarter of 2010 and fell further after Monetary Authority of Singapore initiated monetary tightening in mid-April 2010. The tightening has encouraged more capital inflows and interest rates were hence kept depressed.

In addition, an environment of low US interest rates is also keeping local rates depressed.

¹ *An eligible financial institution is defined in the Money Market Funds Investment Guidelines to be:*

- (i) a financial institution with either a minimum short-term issuer credit rating of F2 by Fitch Inc or A2 by Standard & Poor’s, or a minimum short-term bank deposit rating of Prime-2 by Moody’s (including such sub-categories or gradations therein); or*
- (ii) a financial institution rated other than by the credit rating organisations specified in (i) above for which the manager has satisfied the trustee that its short-term issuer credit rating is comparable to the ratings in (i) above; or*
- (iii) a Singapore-incorporated bank licensed under the Banking Act, Chapter 19 of Singapore, which is not rated, but has been approved under the Central Provident Fund Investment Scheme to accept fixed-deposits.*

CASH FUND

Factors Affecting Performance

Fund yield fell during the review period, which is in-line with the lower market rates, due to the above stated factors.

Key changes to the portfolio

There were no key changes to the portfolio.

Outlook

With economic recovery still fragile and great uncertainties surrounding European economies, Fed is expected to keep Fed fund target rate near zero for an extended period. As such, local rates are likely to remain low through third quarter 2010 and perhaps till end of the year. They are more likely to rise in 2011 when global economy is on firmer footing and Fed looks to hike its policy rate.

CASH FUND

Fund performance

(As at 30 June 2010)

Fund / Benchmark	3 month %	6 month %	1 year %	3 years %	Since inception ⁺ %
			(average annual compounded return)		
Cash Fund	0.05	0.10	0.33	0.98	1.16
SGD Saving Deposits Rate	0.03	0.07	0.15	0.20	0.21

Source: Prudential Asset Management (Singapore) Limited; benchmark values were calculated using rates published on the website of MAS. The return is in S\$, and calculated on a bid-to-bid basis with net income reinvested, if any.

There has been no dividend distribution since the inception of the Fund.

⁺ 23 January 2007

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

CASH FUND

(As at 30 June 2010)

Exposure to Derivatives

Nil.

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

Nil.

Borrowings

Nil.

Related Party Transactions

Refer to Note 10 of the “Notes to the Financial Statements”.

Total Subscriptions and Redemptions for the half year ended 30 June 2010

	SGD
Subscriptions	120,655,409
Redemptions	152,221,883

Annualised Expense Ratio*

0.35% (2009: 0.35%)

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

Turnover Ratio^

504.59% (2009: 331.55%)

^ The turnover ratio is calculated based on the lesser of purchases or sales for the period (1 January 2010 to 30 June 2010) expressed as a percentage of daily average net asset value. The Fund predominantly invests in term deposits. New term deposits and deposit placements as a result of rollover are taken in as purchases; matured term deposits, including the deposits that are rolled over, and early redemption of term deposits are taken in as sales.

Soft Dollar Commission

Nil for the Fund.

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

Nil.

CASH FUND

Top 10 Fixed Deposit Holdings

(As at 30 June 2010)

	Market Value SGD	% of Net Assets**
Barclays Bank PLC 0.50% 05/03/2010 to 06/12/2010	8,110,045	6.12
Overseas-Chinese Banking Corporation Limited 0.49% 01/06/2010 to 01/03/2011	7,807,381	5.89
Overseas-Chinese Banking Corporation Limited 0.46% 15/01/2010 to 15/10/2010	6,848,633	5.17
Landesbank Baden - Wurttemberg 0.60% 09/02/2010 to 05/07/2010	6,646,302	5.02
Australia & New Zealand Bank 0.68% 05/03/2010 to 03/12/2010	6,626,220	5.00
Overseas-Chinese Banking Corporation Limited 0.59% 21/06/2010 to 21/06/2011	6,429,576	4.85
Landesbank Baden - Wurttemberg 0.60% 12/03/2010 to 09/09/2010	5,458,687	4.12
Overseas-Chinese Banking Corporation Limited 0.40% 17/02/2010 to 13/09/2010	5,419,952	4.09
Barclays Bank PLC 1.05% 28/08/2009 to 27/08/2010	4,898,736	3.70
UBS AG 0.78% 07/06/2010 to 07/03/2011	4,379,094	3.31

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

CASH FUND

Top 10 Fixed Deposit Holdings

(As at 30 June 2009)

	Market Value SGD	% of Net Assets**
Credit Suisse First Boston 0.57% 23/01/2009 to 21/07/2009	9,297,199	4.41
Oversea-Chinese Banking Corporation Limited 1.5% 08/08/2008 to 07/08/2009	9,035,185	4.29
Australia & New Zealand Bank 1.25% 13/04/2009 to 12/10/2009	7,000,000	3.32
Credit Suisse First Boston 0.93% 17/11/2008 to 17/08/2009	6,686,065	3.17
Credit Suisse First Boston 1.31% 05/11/2008 to 02/11/2009	6,258,633	2.97
Australia & New Zealand Bank 1.28% 27/04/2009 to 27/10/2009	6,006,865	2.85
The Hong Kong and Shanghai Banking Corporation 1.62% 11/08/2008 to 10/08/2009	5,990,769	2.84
Credit Suisse First Boston 0.38% 30/06/2009 to 01/07/2009	5,819,473	2.76
Australia & New Zealand Bank 1.30% 23/04/2009 to 23/10/2009	5,715,631	2.71
UBS AG 0.64% 08/05/2009 to 12/08/2009	5,683,630	2.70

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

CASH FUND

Fixed Deposit Holdings by Financial Institution

(As at 30 June 2010)

	Market Value SGD	% of Net Assets**
Singapore		
Australia & New Zealand Bank, Singapore Branch	26,959,254	20.35
Barclays Bank PLC, Singapore Branch	23,301,900	17.59
The Hong Kong and Shanghai Banking Corporation, Singapore Branch	5,374,302	4.06
Landesbank Baden - Wurttemberg, Singapore Branch	25,345,528	19.13
Overseas-Chinese Banking Corporation Limited	39,584,823	29.88
Standard Chartered Bank, Singapore Branch	3,533,001	2.67
UBS AG, Singapore Branch	9,078,831	6.85

Fixed Deposit Holdings by Financial Institution

(As at 30 June 2009)

	Market Value SGD	% of Net Assets**
Singapore		
Australia & New Zealand Bank, Singapore Branch	44,650,275	21.20
Barclays Bank PLC, Singapore Branch	3,358,011	1.60
Credit Suisse First Boston, Singapore Branch	40,192,388	19.08
The Hong Kong and Shanghai Banking Corporation, Singapore Branch	19,849,540	9.42
Landesbank Baden - Wurttemberg, Singapore Branch	31,374,053	14.89
Overseas-Chinese Banking Corporation Limited	18,556,042	8.81
Standard Chartered Bank, Singapore Branch	5,611,012	2.66
UBS AG, Singapore Branch	41,117,776	19.52
United Overseas Bank Limited	4,221,123	2.00

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

CASH FUND

Term to Maturity

(As at 30 June 2010)

	Market Value SGD	% of Net Assets**
1 week	13,098,408	9.89%
4 weeks	3,922,242	2.96%
5 weeks	1,374,302	1.04%
6 weeks	2,184,570	1.65%
7 weeks	2,000,000	1.51%
8 weeks	4,898,736	3.70%
9 weeks	2,375,589	1.79%
10 weeks	10,181,807	7.69%
11 weeks	5,419,952	4.09%
13 weeks	3,814,084	2.88%
15 weeks	6,848,633	5.17%
16 weeks	3,660,000	2.76%
19 weeks	10,700,715	8.08%
21 weeks	2,788,396	2.10%
22 weeks	10,818,183	8.17%
23 weeks	8,110,045	6.12%
24 weeks	5,134,377	3.88%
25 weeks	6,085,167	4.59%
30 weeks	3,780,003	2.85%
35 weeks	11,673,760	8.81%
36 weeks	4,379,094	3.31%
49 weeks	3,500,000	2.64%
51 weeks	6,429,576	4.85%
Total	133,177,639	100.53%

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

CASH FUND

Schedule of Investments

(As at 30 June 2010)

	Market Value SGD	% of Net Assets**
Country		
Singapore	133,177,639	100.53
Industry		
Banks	133,177,639	100.53
Asset Class		
Deposits	133,177,639	100.53
Other Net Liabilities	(704,914)	(0.53)

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

FINANCIAL STATEMENTS

For the half year ended 30 June 2010 (unaudited)

	Page
Statement of Total Return	13
Balance Sheet	14
Portfolio Statement	15
Notes to the Financial Statements	16 - 20

CASH FUND**Statement of Total Return**
For the half year ended 30 June 2010

	Financial period from 01/01/10 to 30/06/10 S\$	Financial period from 01/01/09 to 30/06/09 S\$
Income		
Interest	400,322	1,150,066
Other income	-	31
	<hr/> 400,322	<hr/> 1,150,097
Less: Expenses		
Management fees	234,711	324,969
Trustee fees	22,004	30,466
	<hr/> 256,715	<hr/> 355,435
Net income	<hr/> 143,607	<hr/> 794,662
Total return for the period before income tax	143,607	794,662
Less: Income tax	3 -	-
Total return for the period after income tax before distribution	143,607	794,662
Less: Distribution	-	-
Total return for the period	<hr/> 143,607	<hr/> 794,662

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

CASH FUND**Balance Sheet**
As at 30 June 2010

	Note	30/06/10	31/12/09
		S\$	S\$
Assets			
Portfolio of investments		133,177,639	163,192,678
Receivables	4	680,277	971,351
Cash and bank balances	5	50,000	38,997
Total assets		<u>133,907,916</u>	<u>164,203,026</u>
Liabilities			
Payables	6	1,435,191	307,434
Net assets attributable to unitholders	7	132,472,725	163,895,592
Total liabilities		<u>133,907,916</u>	<u>164,203,026</u>

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

CASH FUND**Portfolio Statement**

As at 30 June 2010

	Fair value 30/06/10 (S\$)	Percentage of total net assets attributable to unitholders 30/06/10 (%)
By Geography *- Primary		
Fixed deposits		
Singapore		
Australia & New Zealand Bank, Singapore Branch	26,959,254	20.35
Barclays Bank PLC, Singapore Branch	23,301,900	17.59
The Hong Kong and Shanghai Banking Corporation, Singapore Branch	5,374,302	4.06
Landesbank Baden - Wurttemberg, Singapore Branch	25,345,528	19.13
Oversea-Chinese Banking Corporation Limited	39,584,823	29.88
Standard Chartered Bank, Singapore Branch	3,533,001	2.67
UBS AG, Singapore Branch	9,078,831	6.85
Portfolio of investments	<u>133,177,639</u>	<u>100.53</u>
Other net liabilities	(704,914)	(0.53)
Net assets attributable to unitholders	<u>132,472,725</u>	<u>100.00</u>

* Geography classification is based on the place of incorporation/registration of the entities.

	Fair value at 30/06/10 (S\$)	Percentage of total net assets attributable to unitholders 30/06/10 (%)	31/12/09 (%)
By Industry – Secondary			
Banks	133,177,639	100.53	99.57
Other net (liabilities)/assets	(704,914)	(0.53)	0.43
Net assets attributable to unitholders	<u>132,472,725</u>	<u>100.00</u>	<u>100.00</u>

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

1. Principal activities

Cash Fund (“the Fund”) is a unit trust constituted pursuant to a Trust Deed dated 8 January 2007 as amended by Supplementary and the Amending and Restating Deed between Prudential Asset Management (Singapore) Limited (“the Manager”) and HSBC Institutional Trust Services (Singapore) Limited (“the Trustee”). The Deed of Trust, subsequent Supplemental Deed and Amending and Restating Deeds are governed by laws of the Republic of Singapore.

The Fund will predominantly hold its assets in Singapore-dollar deposits.

There is no distribution of income and capital for the Fund.

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

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

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

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

2.2 Recognition of income

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

2.3 Investments

The investments in deposits with banks are stated at their fair value.

Investments consists of balances with and from banks which are repayable on demand, money at call and on short notice and highly liquid investments which are readily convertible to cash and which are subject to an insignificant risk of change in value.

2.4 Foreign currencies

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

2.5 Units

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

3. Taxation

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

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

4. Receivables

	30/06/10	31/12/09
	S\$	S\$
Amount receivable from the creation of units	397,454	633,350
Interest receivables	267,980	336,594
GST receivable	14,001	-
Other receivables	842	1,407
	<u>680,277</u>	<u>971,351</u>

5. Cash and bank balances

	30/06/10	31/12/09
	S\$	S\$
Cash at bank	<u>50,000</u>	<u>38,997</u>

CASH FUND**Notes to the Financial Statements**

For the half year ended 30 June 2010

6. Payables

	30/06/10	31/12/09
	S\$	S\$
Payable to unitholders for cancellation of units	1,396,443	210,270
Accrued expenses	38,748	97,164
	<u>1,435,191</u>	<u>307,434</u>

7. Net assets attributable to unitholders

	Period ended	Year ended
	30/06/10	31/12/09
	S\$	S\$
At the beginning of financial period/year	<u>163,895,592</u>	<u>210,551,820</u>
Operations		
Change in net assets attributable to unitholders resulting from operations	143,607	1,233,722
Unitholders' contributions/(withdrawals)		
Creation of units	120,655,409	282,845,091
Cancellation of units	(152,221,883)	(330,735,041)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	<u>(31,566,474)</u>	<u>(47,889,950)</u>
Total decrease in net assets attributable to unitholders	(31,422,867)	(46,656,228)
At the end of financial period/year	<u>132,472,725</u>	<u>163,895,592</u>
Units in issue (number)	<u>127,320,263</u>	<u>157,673,528</u>
Net assets attributable to unitholders per unit (S\$)	<u>1.04</u>	<u>1.04</u>

8. Units in issue

	Period ended 30/06/10	Year ended 31/12/09
Units at beginning of the period/year	157,673,528	203,810,229
Units created	116,018,965	272,708,034
Units cancelled	(146,372,230)	(318,844,735)
Units at end of the period/year	<u>127,320,263</u>	<u>157,673,528</u>

9. Interest

The Fund receives interest income on bank deposits which has been included under "interest" in the Statement of Total Return.

10. Related party transactions

In the normal course of the business of the Fund, trustee fees have been paid or payable to the Trustee and the management fees have been paid or payable to the Manager. The Fund has also carried out transactions which include bank services with the holding company of the Trustee in the normal course of business. Transactions with related parties were at terms agreed between the parties and within the provisions of the Trust Deed.

11. Financial instruments

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

Credit risk

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

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Balance Sheet. Concentration of the Fund's investments are disclosed in the portfolio statement.

Liquidity risk

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

Interest rate risk

Investments in fixed deposits are subject to the fluctuations in interest rates.

Foreign currency risk

The Fund's accounting books and records are maintained in Singapore dollars. The Fund invests in underlying investments which are denominated in Singapore dollars.

Fair values

The fair values of the Fund's financial assets and liabilities approximate the carrying amounts at balance sheet date.

12. Financial ratios

	30/06/10	30/06/09
	%	%
Expense ratio (note 1)	0.35	0.35
Turnover ratio (note 2)	504.59	331.55

Note 1

The expenses used in calculating the "Expense ratio" include expenses such as management fees, trustees' fees and other expenses incurred by the Fund.

Note 2

The turnover ratio is calculated based on the lesser of purchases or sales for the period (1 January 2010 to 30 June 2010), expressed as a percentage of daily average net asset value.

The Fund predominantly invests in term deposits. New term deposits and deposit placements as a result of rollover are taken in as purchases; matured term deposits, including the deposits that are rolled over, and early redemption of term deposits, are taken in as sales.

IMPORTANT INFORMATION

A prospectus in relation to the Fund is available and a copy of the prospectus may be obtained from Prudential Asset Management (Singapore) Limited (“the Manager”) (Company Reg No. 199407631H) and its distribution partners. All application for units in the Fund must be made on the application form accompanying the prospectus. Investors should read the prospectus before deciding whether to subscribe for or purchase units in the Fund. **Investors should note that the purchase of a unit in the Fund is not the same as placing funds on deposit with a bank or deposit-taking company. Although the Manager may seek to maintain or preserve the principal value of the Fund, there can be no assurance that the Fund will be able to meet this objective. The Fund is not a guaranteed fund, in that there is no guarantee as to the amount of capital invested or return received.** Past performance of the Fund is not necessarily indicative of the future performance of the Fund. The prediction, projection or forecast on the economy, securities markets or the economic trends of the markets targeted by the Fund are not necessarily indicative of the future or likely performance of the Fund. An investment in the Fund is subject to investment risks, including the possible loss of the principal amount invested. Investments in unit trusts are not deposits or other obligations of, or guaranteed or insured by the Manager or any of its related corporations. Investors may wish to seek advice from a financial adviser before making a commitment to invest in units of the Fund. In the event an investor chooses not to seek advice from a financial adviser, the investor should consider whether the Fund is suitable for him. **The value of units and the income accruing therefrom, if any, in the Fund, may fall or rise. Such fall or rise may be affected by market conditions, in particular, fluctuation in interest rates.** Whilst the Manager has taken all reasonable care to ensure that the information contained in this document is not untrue or misleading at the time of publication, the Manager cannot guarantee its accuracy or completeness. Investors should not act on it without first independently verifying its contents. Any opinion or estimate contained in this document is subject to change without notice.

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

This page has been intentionally left blank.

This page has been intentionally left blank.

This page has been intentionally left blank.

