

PRULink Asia Local Bond Fund

All data is as of 31 December 2018 unless otherwise stated

Features of Fund

Investment Objective	<p>PRULink Asia Local Bond Fund is an actively managed fund that aims to maximise total returns through investing in fixed income or debt securities that are rated as well as unrated. At inception, PRULink Asia Local Bond Fund will invest in a sub-fund called Eastspring Investments – Asian Local Bond Fund managed by Eastspring Investments (Singapore) Limited. This Sub-Fund invests in a diversified portfolio consisting primarily of fixed income/debt securities issued by Asian entities or their subsidiaries. This Sub-Fund's portfolio primarily consists of securities denominated in the various Asian currencies. The fund may also invest in any other PRULink bond funds that may become available in the future or indirectly via other bond funds.</p>
Investment Strategy & Approach	<p>Investment Strategy Invest in a diversified portfolio consisting primarily of fixed income or debt securities that are rated as well as unrated through a collective investment scheme primarily the Eastspring Investments – Asian Local Bond Fund, incorporated in Luxembourg.</p> <p>Investment Approach for Eastspring Investments – Asian Local Bond Fund Valuation-driven investment opportunities in bonds or credit based on historical valuations are created through the business cycles:</p> <p>The Fund Manager adopts a value approach to investment that is consistently applied to all funds under management. The Fund Manager see value investing as a price-sensitive process that takes advantage of asset mis-pricing arising from sharp swings in investor sentiment and longer term interest rate and credit spreads trends around economic cycles.</p> <p>The Fund Manager's process allows us to actively take advantage of trends in interest rates and credits spreads as the economy cyclically goes through up and down swings. Market prices also do not always reflect fundamental values, they do over-shoot and under-shoot. Assets become mis-priced when investors are willing to pay a high price for 'comfort' and to be associated with success, whilst they will sell 'unfashionable' securities regardless of value. These behavioural biases are systemic and can be actively exploited by disciplined, long term investors.</p> <p>In managing Asian Fixed Income portfolios, the Fund Manager aims to provide value-added returns from active management of three main sources, where fundamental, technical and valuation factors may be taken into consideration.</p> <ul style="list-style-type: none">• Bond market allocation & duration strategy• Credit strategy• Currency management strategy
Asset Allocation	<p>The Fund invests up to 100% of the Fund's NAV in the Sub-Fund(s) determined by the Fund Manager. The balance of the Fund's NAV will be invested in liquid assets.</p>

PRULink Asia Local Bond Fund

All data is as of 31 December 2018 unless otherwise stated

Performance Benchmark	Markit iBoxx ALBI ex-China Onshore ex-China Offshore ex-Taiwan Net of Tax Custom Index <i>For more information on benchmark kindly refer to www.markit.com/product/iBoxx</i>
Fund Manager	Eastspring Investments Berhad (531241-U)

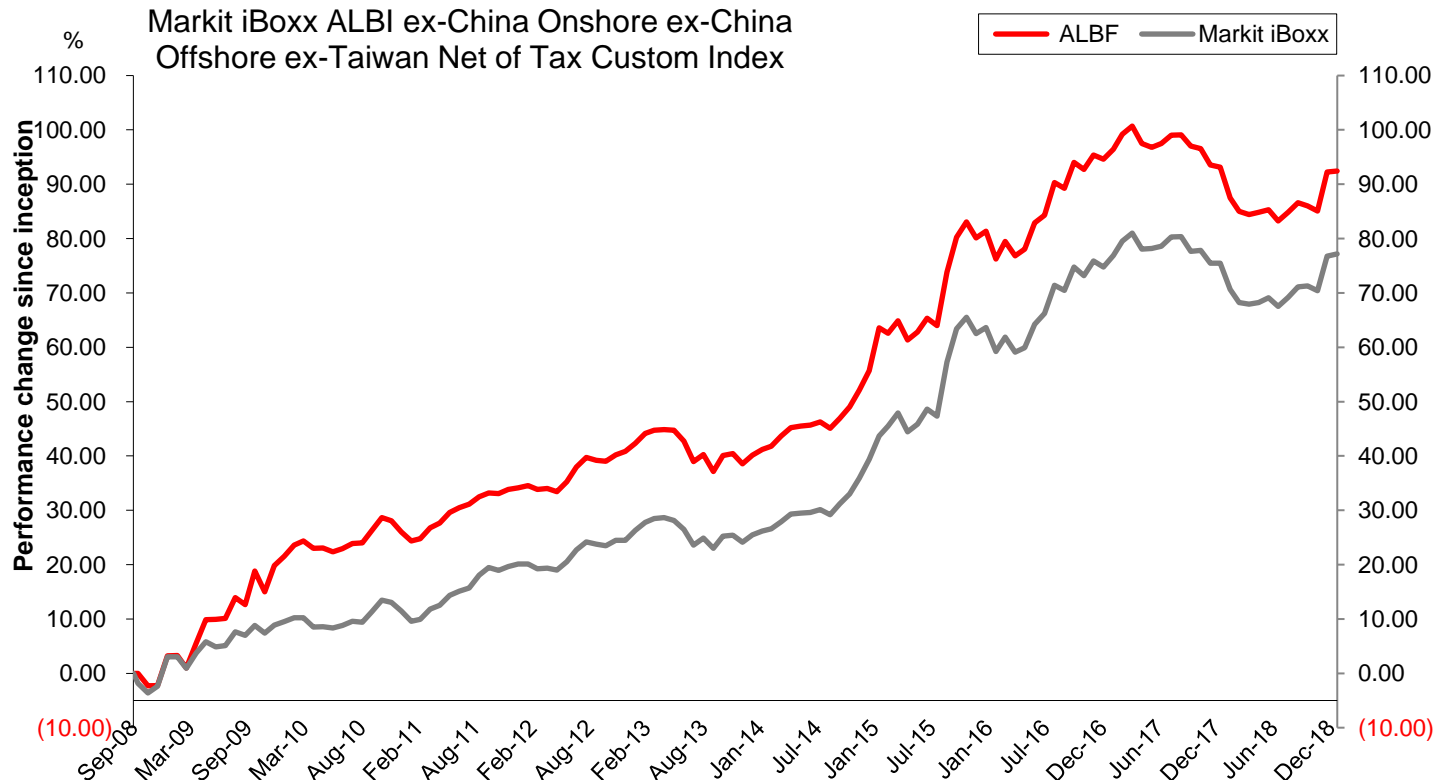
Fees & Charges

Fund Management Charge	1.00% p.a.
Other Charge, if any	Nil

Fund Performance

Performance Graph

PRULink Asia Local Bond Fund Vs.
Markit iBoxx ALBI ex-China Onshore ex-China
Offshore ex-Taiwan Net of Tax Custom Index



Notice: The graphs are included for illustrative purposes only. Past performance of The Fund is not an indication of its future performance.

PRULink Asia Local Bond Fund

All data is as of 31 December 2018 unless otherwise stated

Year	Actual Performance	Benchmark
	PRULink Asia Local Bond Fund	Markit iBoxx ALBI ex-China Onshore ex-China Offshore ex-Taiwan Net of Tax Custom Index
2009	17.72%	6.28%
2010	3.67%	1.77%
2011	6.44%	7.75%
2012	6.11%	5.17%
2013	-1.52%	-0.66%
2014	11.10%	11.07%
2015	16.49%	17.41%
2016	7.29%	6.81%
2017	-0.75%	0.40%
2018	-0.37%	0.97%

Sources: Lipper IM and Bloomberg, 31 December 2018

Notice: Past performance is not an indication of its future performance. This is strictly the performance of the investment/underlying funds, and not the returns earned on the actual premiums paid of the investment-linked insurance product.

Basis of calculation of past performance:

$$= \left(\frac{\text{Net Asset Value for Year } n}{\text{Net Asset Value for Year } n - 1} - 1 \right) \%$$

Additional disclosure for PRULink Asia Local Bond Fund

PRULink Asia Local Bond Fund invests in the Eastspring Investments - Asian Local Bond Fund.

The fund manager of Eastspring Investments - Asian Local Bond Fund is Eastspring Investments (Singapore) Limited.

Management fees may be charged at the Fund and/or Sub-Fund(s) level. Please note that you will be charged a maximum of 1.00% p.a., being the combined annual fund management charge at the Fund and Sub-Fund(s) levels. Sub-Fund(s) with investment strategies to invest in Exchange Traded Funds ("ETF") or other Collective Investment Schemes may incur additional expenses at the Sub-Fund(s) level which is taken as part of the investment strategy considerations to deliver the fund performance.

Year	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net Performance	-1.40%	11.36%	4.20%	-3.75%	5.93%	-7.13%	11.46%	4.98%	15.42%	11.82%

Note: The above return is for Eastspring Investments – Asian Local Bond Fund (Class D)

Source: Eastspring Singapore, 31 December 2018

Returns are based on third party unit price, net of fees with dividends reinvested, if any, and reported in USD

Notice: Past performance is not an indication of its future performance. This is strictly the performance of the investment/underlying funds, and not the returns earned on the actual premiums paid of the investment-linked insurance product.

Basis of calculation of past performance:

PRULink Asia Local Bond Fund

All data is as of 31 December 2018 unless otherwise stated

$$= \left(\frac{\text{Net Asset Value for Year } n}{\text{Net Asset Value for Year } n - 1} - 1 \right) \%$$

Investment Risks

The Fund is subjected to investment risks including the possible loss of the principal amount invested. The value of the units may fall as well as rise. In addition, The Fund is subjected to specific risk including and not limiting to:

Currency Risk

The Fund is denominated in MYR, while the Sub-Fund(s) may be denominated in other currencies. The performance of the Fund may be affected by movements in the exchange rate between the USD and the Sub-Fund(s)'s denominated currency. Where applicable, a currency hedge or a currency hedged class of fund may be used to minimise currency risk.

The Sub-Fund(s) or its Target Fund(s)'s underlying investments may be denominated in their local currency, which may differ from the Sub-Fund(s) or its Target Fund(s)'s currency of denomination. The performance of the Sub-Fund(s) or its Target Fund(s) may be affected by movements in the exchange rate between the local currency of its underlying investments and the Sub-Fund(s) or its Target Fund(s)'s denominated currency.

Derivatives Risk

Derivatives may potentially be used to hedge against any risk that may be derived from investing in the Sub-Fund(s), such as, but not limited to, currency risk.

The Sub-Fund Manager(s) or its Target Fund Manager(s) may invest in derivatives which will be subject to risks. While the judicious use of derivatives by professional investment managers can be beneficial, derivatives involve risks different from, and, in some cases, greater than, the risks presented by more traditional securities investments. Some of the risks associated with derivatives are market risk, management risk, credit risk, liquidity risk and leverage risk. Investments in derivatives may require the deposit or initial margin and additional margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the investment may be liquidated at a loss. Therefore, it is essential that such investments in derivatives are monitored closely.

The Sub-Fund Manager(s) or its Target Fund Manager(s) has the necessary controls for investments in derivatives and have in place systems to monitor the derivative positions for the Sub-Fund(s) or its Target Fund(s). The Sub-Fund Manager(s) or its Target Fund Manager(s) does not intend to use derivatives transactions for speculation or leverage but may use them for efficient portfolio management and/or risk management. Currency risk is simply one of the market risks which the fund will be exposed to and can be hedged using derivatives such as FX forwards/futures. Often the underlying currency risk may be taken on as a result of buying an underlying equity or bond. If the Sub-Fund Manager(s) or its Target Fund Manager(s) does not want to also take the currency risk associated with these underlying assets, the Sub-Fund(s) or its Target Fund(s) may use Forward Foreign Exchange contracts to hedge any currency risk derived from holdings of non-base currency positions. Essentially this use of currency forwards is to hedge currency risk in the Sub-Fund(s) or its Target Fund(s).

PRULink Asia Local Bond Fund

All data is as of 31 December 2018 unless otherwise stated

Interest Rate & Credit Risk

Investments in fixed income portfolios will be subject to the usual risks of investing in bonds and other fixed income securities. Bonds and other fixed income securities are subject to interest rate fluctuations and credit risks, such as risk of default by issuers. Investments in fixed income securities are subject to adverse changes in the financial condition of the issuer, or in general economic conditions, or both, or an unanticipated rise in interest rates, which may impair the ability of the issuer to make payments of interest and principal, especially if the issuer is highly leveraged. Such issuer's ability to meet its debt obligations may also be adversely affected by specific projected business forecasts, or the unavailability of additional financing. Also, an economic downturn or an increase in interest rates may increase the potential for default by the issuers of these securities.

Portfolio Risk

The Fund is intended for investors who can accept the risks associated with investing primarily in the securities of the type held in the Fund. Investments in equities will be subject to the risks associated with equity and equity-related securities, including fluctuations in market prices, adverse issuer or market information and the fact that equity and equity-related interests are subordinate in the right of payment to other corporate securities, including debt securities. Likewise, investments in fixed income securities will be subjected to the risks associated with debt securities including credit and interest rate risk, and the additional risks associated with high-yield debt securities, loan participations and derivative securities. In addition, investors should be aware of the risks associated with the active management techniques that are expected to be employed by the Fund.

Political and/or Regulatory Risks

The value of the Fund's Deposited Property may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. Foreign ownership restrictions in some markets may mean that corporate actions entitlements in relation to any collective investment schemes or other investments the Fund is invested into may not always be secured or may be restricted.

Premium Risk

Where the Fund acquires or values securities in the over-the-counter market there is no guarantee that the Fund will be able to realise such securities at a premium due to the nature of the over-the-counter market.

Counterparty and Settlement Considerations

The Fund will also be exposed to a credit risk on parties with whom it trades securities, and may also bear the risk of settlement default, in particular in relation to debt securities such as bonds, notes and similar debt obligations or instruments. Investors should also note that settlement mechanisms in emerging markets are generally less developed and reliable than those in more developed countries and that this therefore increases the risk of settlement default, which could result in substantial losses for the Fund in respect to investments in emerging markets. Investors should also note that the securities of small capitalisation companies as well as the securities of companies domiciled in emerging markets are less liquid and more volatile than more developed stock markets and this may result in fluctuations in the price of the Units.

The above should not be considered to be an exhaustive list of the risks which potential policyholders should consider before investing in The Fund. Potential policyholders should be aware that an investment in The Fund may be exposed to other risks of exceptional nature from time to time.

PRULink Asia Local Bond Fund

All data is as of 31 December 2018 unless otherwise stated

Risk Management

The Fund Manager has the following risk management and compliance controls in place to manage the risks:

a) Pre-Trade Compliance

Where possible, all Financial Derivative Instruments (FDI) activities and exposures are monitored with a pre-trade compliance system across the entire business. Rules and investment guidelines are set up in the system as far as possible allowing potential breaches to be immediately identified before a trade is executed. An escalation process is in place to ensure relevant parties are informed when a potential issue occurs.

b) Portfolio Risk

The Fund Manager utilises quantitative techniques to determine the suitability of utilising FDIs. The investment team utilises a number of tools to carry out portfolio construction and to conduct risk analysis including risk/return characteristics. The investment team identifies, manages and monitors investment risks with the aim of achieving the objectives of the Sub-Funds.

c) Counterparty Risk

The Fund Manager has credit risk management and control procedures for assessing, monitoring and limiting credit and counterparty risk across all asset classes and client bases. Reviews of counterparties are performed on a regular basis to assess any changes in credit worthiness and the ability to meet their contractual obligations.

d) Risk Oversight

In addition, The Fund Manager has an independent investment risk team that works with each investment team to ensure that the necessary risk controls and metrics of the risks are in place. The investment risk team reports to the regional risk committee whose principal role is to ensure that the business units operate within the risk management policies and frameworks laid out.

The Fund Manager will ensure that the risk management and compliance procedures and controls adopted are adequate and that it has the necessary expertise to control and manage the risks relating to the use of FDIs.

The Fund Manager may modify the risk management and compliance procedures and controls adopted from time to time as it deems fit and in the interest of the Sub-Fund.

PRULink Asia Local Bond Fund

All data is as of 31 December 2018 unless otherwise stated

Other Info

<ul style="list-style-type: none">• Target Market	<ul style="list-style-type: none">• Policyholders who stable income stream.• Low to moderate risk tolerance.• Medium to long term investment horizon.
<ul style="list-style-type: none">• Basis & Frequency of Unit Valuation	<ul style="list-style-type: none">• Unit pricing is done every business day.• The Unit Price of a particular PRULink Global Fund on any Valuation Date shall be equal to The Fund Value divided by the number of Units in issue on Valuation Date.• The Fund Value is the value of all the assets of a particular PRULink Global Fund after the deduction of expenses for managing, acquiring, maintaining and valuing the assets of that fund, tax (if any) or other statutory levy incurred by the Company on investment income or capital gains on the assets of The Fund and any accrued or anticipated income.• The Company shall value the various PRULink Global Funds at the close of each business day (Valuation Date). However, as the value of the PRULink Global Funds' investments in various shares, fixed interest securities and money market instruments at the close of a particular Valuation Date will only be known a business day later, the determination by the Company of the Unit Price of a PRULink Global Fund in respect of a particular Valuation Date shall only be conducted and made known to the policyholder 2 business days later (T + 2).• To recoup the cost of acquiring and disposing of assets, a transaction cost adjustment may be made to The Fund Value to recover any amount which The Fund had already paid or reasonably expects to pay for the creation or cancellation of units.
<ul style="list-style-type: none">• Exceptional circumstances	<ul style="list-style-type: none">• The Company shall not be bound to redeem and convert on any Valuation Day more than 10% of any PRULink Global Fund outstanding on such Valuation Day.• The Company reserves the right in exceptional circumstances (for example, when there is an unusually high volume of sale of investments within a short period) to defer the switching or withdrawal of Units and the surrender of the Policy for a period not exceeding six (6) months from the date of application.• The Company may suspend unit pricing and policy transaction if any of the exchanges in which The Fund is invested is temporarily suspended for trading. In such event, notice for suspension may be published and may be communicated to the policyholder upon any request for top-up, switching, redemption or withdrawal to/from any such PRULink Global Fund. <p>The list of exceptional circumstances above are not exhaustive, please refer to your policy document for further details.</p>